

Child Poverty Review

July 2004



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FOREWORD

No child should ever be left out or left behind.

Yet the concentration of poverty amongst households with young children is the greatest indictment of our country in this generation and the greatest challenge of all.

In 1997, one in every three babies born in Britain were born into low-income households – born not into opportunity but into poverty. And we know that an infant who then grows up in a poor family is less likely to stay on at school, or even to attend school regularly, less likely to get qualifications and go to college, more likely to be trapped in the worst job or no job at all, more likely to be trapped in a cycle of deprivation that is lifelong, unable to reach their full potential – a young child's chances crippled even before their life's journey has barely begun.

So action to eradicate child poverty is the obligation this generation owes the next. Tackling child poverty is, for us, the critical first step in ensuring that each child has the chance to develop their potential to the full. And as a first step, we have sought to reduce the number of children in relative low-income households by at least a quarter by April 2005.

So far, measured by absolute low income, 2 million children have been lifted out of poverty; so far too, measured by relative low income, half a million children have been lifted out. And there is general agreement that having allocated resources to raise the Child Tax Credit for the poorest families, we are on track to meet our target of reducing child poverty by a quarter by April next year.

But we are not complacent in any way nor will we relax our efforts or allow them to be stalled. The next step – our goal of, by 2010, reducing child poverty by half – is even more challenging. And so in Budget 2003, I announced a review of policy towards child poverty to identify the next steps across the entire range of policies to improve the life chances of poor children, and move us towards our next goal. This document sets out the work in progress and the further developments, which are a central part of the 2004 Spending Review to improve outcomes for poor children.

I am very grateful to representatives of the 220 organisations across the public, private and voluntary sectors who have contributed to the review, helping to map aspects of poverty such as indebtedness, the role of disability and the potential of major public services and the tax and benefits system to work better together against child poverty.

Acting together we can make a difference and ensure for every child the best possible start in life.



Gordon Brown

EXECUTIVE SUMMARY

Every child deserves the best start in life, with opportunities to develop their full potential and lead fulfilling lives.

In the mid to late 1990s, the UK suffered higher child poverty than nearly all other industrialised nations. Over a period of 20 years, the proportion of children in relative low-income households had more than doubled.

The Government therefore set an ambitious long-term goal to halve child poverty by 2010 and eradicate it by 2020. As a first step, the Government has sought to reduce the number of children in low-income households by at least a quarter by 2004-05.

The Government has increased financial support for children through tax credits, Child Benefit and other benefits by £10.4 billion since 1997, a real terms rise of 72 per cent. As a result, combined with its success in helping parents into work, the previous trend toward increasing levels of child poverty has been arrested and reversed. Between 1998-99 and 2002-03, the number of children in relative low-income households fell by around 500,000, and the Government is broadly on track to achieve its Public Service Agreement (PSA) target to reduce by a quarter the number of children in relative low-income households by 2004-05.

The Government remains determined to make progress beyond 2004-05 and recognises that further investment and reform are needed to meet the goals of halving child poverty by 2010 and then eradicating it by 2020.

But child poverty is about more than just income. The Government's strategy for tackling child poverty also involves ensuring work for those who can and support for those who cannot; supporting parents in their parenting role; and delivering high quality public services.

More needs to be done, particularly in relation to the contribution that mainstream public services make in improving poor children's life chances and thus breaking cycles of deprivation. In Budget 2003 the Chancellor therefore announced the child poverty review, which has examined both the welfare reform and public service changes necessary to advance towards the long-term goal of halving and eradicating child poverty.

The child poverty review's terms of reference were to set out the policies necessary to:

- increase employment opportunities, raising incomes for those who can work;
- increase support for those who cannot work;
- improve the effectiveness of public services that tackle material deprivation, for instance housing and homelessness;
- improve those public services – education, for example – that can contribute most to increasing the future life chances of children in households with low income and ensure public services and the welfare system work well together when families face crisis points in their lives; and
- improve services for children and their families living in deprived areas, including targeted programmes.

The review's findings under these themes are set out below. The review team have worked closely with government departments, academics, voluntary and community sector organisations and others involved in service delivery. The review includes both medium-term plans emerging from the 2004 Spending Review, and an assessment of the longer-term direction which policy needs to take in order to meet the Government's new child poverty target set out in the Spending Review.

Next steps to help parents into work and provide financial support for families include:

- a new target, shared by the Department for Work and Pensions and HM Treasury to: *halve the number of children in relative low-income households between 1998-99 and 2010-11, on the way to eradicating child poverty by 2020;*
- setting a target to halve by 2010-11 the number of children suffering a combination of material deprivation and relative low income;
- more work-focused interviews, and work search premiums to encourage lone parents and non-working partners in low-income families into work;
- *reducing the proportion of children living in workless households by 5.0 per cent between Spring 2005 and Spring 2008;*
- *increasing the proportion of Parents with Care on Income Support and income-based Jobseeker's Allowance who receive maintenance for their children to 65 per cent by March 2008;*
- enhancing the provision of good quality, accessible childcare. The Sure Start Unit has a new target: *as a contribution to reducing the proportion of children living in households where no one is working, by 2008: increase the stock of Ofsted-registered childcare by 10 per cent; increase the take up of formal childcare by lower income working families by 50 per cent; and introduce, by April 2005, a successful light-touch childcare approval scheme;*
- a long-term aspiration to improve the financial support available to large families; and
- analysing data on take-up of income related benefits and tax credits to assess whether there are systematic differences by ethnic group.

While helping parents into work and providing financial support to families will help tackle material deprivation, improving the availability of decent housing and enhancing financial inclusion are also critical. The Government will therefore:

- provide resources for a significant increase in new social housing to contribute to a significant reduction in the number of families with children who would otherwise have been homeless;
- continue to deliver more decent homes in the social sector in order to ensure that all social housing is decent by 2010;
- ensure that 70 per cent of households in the private sector (one third of which are families with children) are living in a decent home by 2010, with a new PSA target that highlights the needs of children in this group;
- abolish the 'double debt' rule and lower the repayment rate for Social Fund Budgeting Loans; and
- work in partnership with the private and voluntary sectors to develop models which make more affordable loans available to those on low incomes.

Key public service measures, both universal and those targeted on deprived areas, are critical to improving poor children's life chances, thus breaking cycles of deprivation. The 2004 Spending Review has provided for:

- additional investment in childcare places and services for disadvantaged children of £669 million by 2007-08 compared to 2004-05;
- 1,700 Children's Centres, one in each of the 20 per cent most disadvantaged wards in England by 2007-08;

- new, more challenging PSA floor targets to drive up standards in schools located in deprived areas with monitoring of the bottom 10 to 20 per cent of educational under-achievers and separate monitoring of the most vulnerable groups;
- a review to assess whether schools in deprived areas are treated equitably and whether they are putting resources to the best possible use;
- expanded parenting support with targeted help accessible at key transition points in children's lives;
- extended coverage of Child and Adolescent Mental Health Services (CAMHS) to all 16 and 17 year olds and continued progress on the CAMHS PSA target;
- enhancement of the evidence base on whether children from lower socio-economic groups have access to the healthcare services they need;
- further work on tackling public health issues that disproportionately affect children from lower socio-economic groups, including a new PSA target on childhood obesity;
- further work on accessibility planning, incorporating this into local authorities' next Local Transport Plans due in July 2005;
- implementing the conclusions of the bus subsidy review, as part of which the Department for Transport will continue to work on the system for administering concessionary fares to ensure maximum benefits for those who need them;
- the expansion of early intervention programmes for young offenders including Youth Inclusion Projects, Youth Inclusion and Support Panels and Intensive Supervision and Surveillance Panels;
- sentence reform through a new National Offender Management System so that, through better use of community sentences and fines, fewer children of offenders are separated from their parents; and
- pilots of Women's Community Centres as a radical new approach to identifying the best way to reconnect women offenders with support services and integrate them back into the community upon release.

The child poverty review also outlines the need for continued collaboration between central and local government and government and the voluntary and community sector. The Government is establishing a 'child poverty accord' between the Local Government Association and central government, which will support further co-ordination.

INTRODUCTION

BACKGROUND TO THE REVIEW

Outcomes for children

1.1 The Government wants all children to have the best possible start in life, both for the sake of a happy childhood and to enable them to achieve their full potential in adult life. The Government wants to ensure that every child has the opportunity to achieve the good outcomes that some children may take for granted: economic well-being; enjoying and achieving; being healthy; staying safe; and making a positive contribution.¹

1.2 The human rights of children and the standards to which governments must aspire in realising these rights are articulated in the United Nations Convention on the Rights of the Child. The UK's second periodic report on the Convention, published in 1999, made it clear that the Government is committed to implementing changes which will be of direct benefit to children and which fully accord with the principles of the Convention.²

1.3 The Government's strategy for achieving equal opportunities for poor children and thus eradicating child poverty was outlined in 2001 and involves:³

- ensuring decent family incomes, with work for those who can and support for those who cannot;
- supporting parents in their parenting role;
- delivering high quality public services to break cycles of deprivation; and
- harnessing the power and expertise of the voluntary and community sectors.

The review builds on the progress to date and on plans that have already been agreed.

The Government's commitment to tackling child poverty

1.4 In the late 1990s the UK suffered higher child poverty than nearly all other industrialised nations. Over a period of 20 years, the proportion of children living in relative low-income households had more than doubled. In 1997, the Government set out the case for tackling division and inequality in society and the need for strong families and communities. It underlined the importance of providing employment opportunities for those who can work as part of a modern welfare state.

1.5 A growing body of evidence highlighted the extent of child poverty in the UK, the deterioration in levels of child poverty, the UK's poor performance on child poverty compared to other major developed countries and the resultant harm to individuals, communities and society.⁴

1.6 In response to this, in 1999 the Prime Minister pledged to eradicate child poverty within a generation. The 2000 Spending Review included a Public Service Agreement (PSA) target to *make substantial progress towards eradicating child poverty by reducing the number of children in poverty by at least a quarter by 2004*, held jointly by HM Treasury and the Department for Social Security.

¹ These are the five outcomes identified in *Every child matters*, Department for Education and Skills, September 2003.

² Committee on the Rights of the Child, Consideration of reports submitted by states parties under article 44 of the Convention. Periodic reports of States parties in 1998, United Kingdom of Great Britain and Northern Ireland, September 1999. CRC/C/83/Add.

³ *Tackling child poverty: giving every child the best possible start in life*, HM Treasury, December 2001.

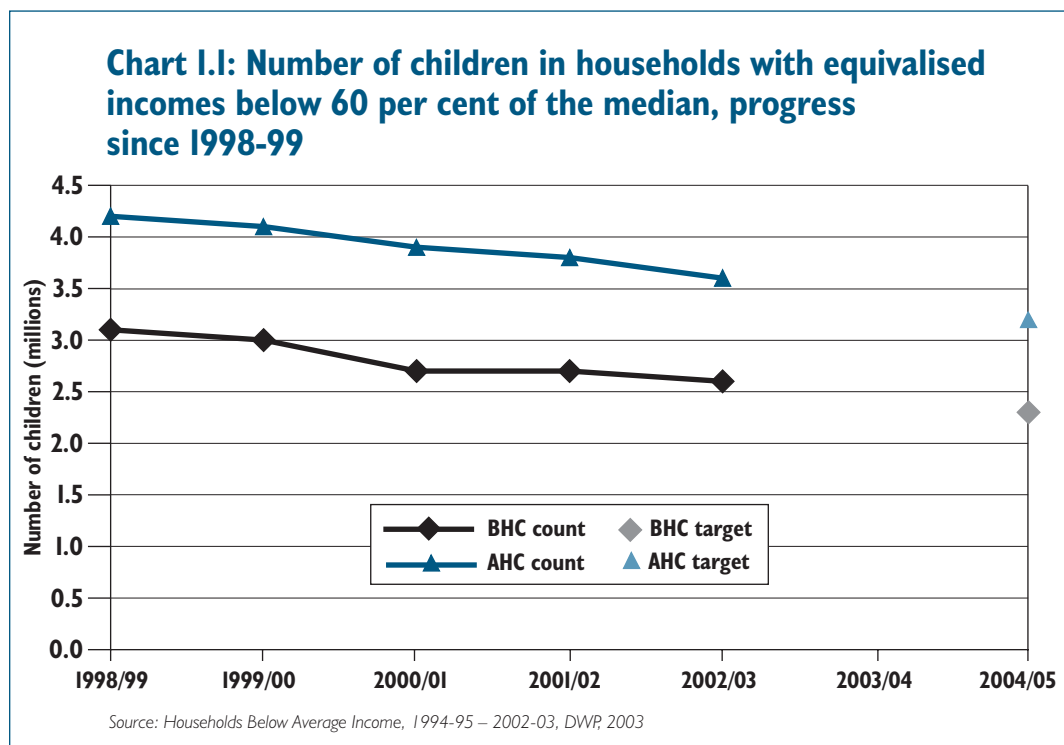
⁴ These points were summarised in *Tackling child poverty: giving every child the best possible start in life*, HM Treasury, December 2001.

1.7 The 2002 Spending Review consolidated these ambitions as a shared HM Treasury and Department for Work and Pensions (DWP) PSA target: *to reduce the number of children in low-income households by at least a quarter by 2004-05, as a contribution to the broader target of halving child poverty by 2010 and eradicating it by 2020*. In addition, other 2002 PSA targets were formulated to contribute to the long-term goal of eradicating child poverty, for example tackling health inequalities, reducing teenage pregnancy and setting child development targets within the Sure Start programme.

1.8 The Government’s annual *Opportunity for all* report summarises key policies and monitors the Government’s progress on tackling poverty and social exclusion across a range of indicators for children, working age adults, pensioners and communities.⁵ In addition, the bi-annual *National Action Plan on Social Inclusion* describes the most important issues in the UK in the fight against poverty and social exclusion.⁶ This contributes to the European Union’s long-term goal that there should be a decisive impact on the eradication of poverty, across Europe, by 2010.

Progress so far

1.9 Since 1997 policy development, new resources and specific interventions have been directed towards improving outcomes for poor children. As a result, between 1998-99 (the baseline year for the PSA target) and 2002-03 (the latest data available) the number of children in relative low-income households fell from 3.1 million to 2.6 million on a before housing costs basis and from 4.2 million to 3.6 million on an after housing costs basis.⁷ This puts the Government broadly on course to meet the 2004-05 PSA target. Chart 1.1 shows progress against the target to date.



⁵ *Opportunity for all: fifth annual report*. Department for Work and Pensions, September 2003.

⁶ *United Kingdom National Action Plan on Social Inclusion 2003-05*, Department for Work and Pensions, July 2003.

⁷ *Households below average income 1994/95 – 2002/03*, Department for Work and Pensions, March 2003. Low-income is defined as households with less than 60 per cent of contemporary median income, equivalised to take account of households size and structure. The 2004-05 target is measured on both a before housing costs and after housing costs basis to take into account variations in housing costs that do not correspond to comparable variations in housing quality.

I.10 *Opportunity for all* provides details of progress against the relative low-income target and a number of other indicators, including absolute and persistent low income, educational attainment, health outcomes and housing decency. The fifth *Opportunity for all* report, published in September 2003⁸, demonstrated that out of 20 indicators for children, 12 were moving in the right direction, three indicators were broadly constant or showed no significant movement and for five indicators, there were insufficient data to determine a trend. No indicator was moving in the wrong direction. This shows that progress is being made across a range of policy areas, and moreover, in many cases the impact of new measures does not show up in the data due to a lag between the collection and publication of results; and due to the time it takes for some policies to achieve their full impact.

I.11 Although progress has been made, the Chancellor explained in Budget 2003 that the Government would intensify efforts to work towards the longer-term goal of halving and eradicating child poverty. In particular the Government wants to make sure that enough is being done through key public services to improve poor children's lives and give them opportunities to enhance their life chances, thus breaking cycles of deprivation. The child poverty review is a key step in taking this forward.

Terms of reference for the review **I.12** The child poverty review's terms of reference were: to examine both the welfare reform and public service changes necessary to advance towards the long-term goal of halving and eradicating child poverty.⁹

I.13 Specifically, the review was designed to set out the policies necessary to:

- increase employment opportunities, raising incomes for those who can work;
- increase support for those who cannot work;
- improve the effectiveness of public services that tackle material deprivation, for instance housing and homelessness;
- improve those public services – education, for example – that can contribute most to increasing the future life chances of children in households with low income and ensure public services and the welfare system work well together when families face crisis points in their lives; and
- improve services for children and their families living in deprived areas, including targeted programmes.

SCOPE AND APPROACH OF THE REVIEW

Scope of the review **I.14** The focus of the child poverty review has been largely on children up to the age of 16 and those aged 16-18 in full-time education. A separate review has considered financial support for 16-19 year olds, with a focus on reducing the numbers not in education, employment or training.¹⁰ While the multiple risk factors faced by children in care are a key concern for the Government, the child poverty review does not cover this group given ongoing work on the implementation of the Children's Green Paper *Every child matters*, notably the consolidation of responsibilities for children in care within the Department for Education and Skills.¹¹

⁸ *Opportunity for all: fifth annual report*, Department for Work and Pensions, September 2003.

⁹ *Chancellor announces progress on work for the next Spending Review*, HM Treasury Press Notice 82/03, July 2003. http://www.hm-treasury.gov.uk/newsroom_and_speeches/press/2003/press_82_03.cfm.

¹⁰ *Supporting young people to achieve: towards a new deal for skills*. HM Treasury, Department for Work and Pensions and Department for Education and Skills, March 2004.

¹¹ For an update on taking forward *Every child matters*, see: <http://www.dfes.gov.uk/everychildmatters/>

I.15 While the Government is firmly committed to tackling international child poverty, it is beyond the scope of this review, which focuses on the UK as a whole in relation to reserved matters (such as financial support for families and active labour market policies) and England only for devolved matters (such as education and health policy). As part of the review, all four countries of the UK discussed best practice in tackling child poverty.

Approach of the review **I.16** The child poverty review has worked closely with the childcare review¹² in considering both the vital role childcare plays in enabling parental employment and in relation to early years education and child development.

I.17 The child poverty review has also linked with the review of the voluntary and community sector¹³ in taking forward the Government's commitment to working with the sector, particularly in relation to the provision of parenting support. In addition, the child poverty review has drawn on the assessment of the impact of Government policy on social exclusion undertaken by the Social Exclusion Unit.¹⁴

I.18 A series of seminars were held between late 2003 and early 2004. These enabled the Government to consult widely with the research community, those delivering services at the front line, the voluntary and community sectors, representatives from primary care trusts, the criminal justice system, local authorities and trade unions. Approximately 220 organisations contributed to the seminar programme. In addition written submissions and e-mail correspondence were received. The review team are very grateful for all the support they received. A full list of the seminars, and organisations that contributed to the review, can be found in Annex A.

STRUCTURE OF THE REPORT

I.19 The report is structured as follows:

- Chapter 2 provides a brief analysis of the causes and consequences of child poverty;
- Chapter 3 outlines progress and next steps in helping parents into work through tackling barriers to employment, active labour market policies and making work pay. It also summarises progress and next steps in financial support to families;
- Chapter 4 provides details of policies to tackle material deprivation, in addition to those outlined in Chapter 3. Specifically it considers tackling homelessness, improving housing availability and housing decency; and financial inclusion;
- Chapter 5 looks at other key public services, both area-based and universal, that contribute to improving poor children's life chances and breaking cycles of deprivation: early years services, education, parenting support, health services, transport, services to prevent child crime and anti-social behaviour and services to support families experiencing parental offending, domestic violence and parental substance misuse. Many of these involve a focus on poor children living in deprived areas. The chapter looks at the links between these services and child poverty, progress to date and next steps;

¹² The childcare review was also launched in Budget 2003, and its findings informed the 2004 Spending Review settlement for the Sure Start Unit, announced in Budget 2004.

¹³ The voluntary and community sector review was commissioned in Budget 2003. Interim findings are set out in the 2004 Spending Review White Paper and final findings will be reported in the autumn.

¹⁴ For the latest information on the Social Exclusion Unit's *Impact and Trends* project see: <http://www.socialexclusionunit.gov.uk/impactstrends/impacts220304.htm>

- Chapter 6 draws together the key conclusions of the review to outline a renewed long-term strategy for tackling child poverty. It highlights the need for concerted cross-government action and the key role played by the voluntary, community and faith sectors and local government.

I.20 Recent and new policies of particular relevance to tackling child poverty are highlighted in the text.

2

CAUSES AND CONSEQUENCES OF CHILD POVERTY

WHAT IS CHILD POVERTY?

2.1 While there are many definitions of poverty, evidence suggests that poor children's life chances are dependent upon a complex combination of low household income, a lack of equal opportunities and social exclusion. Child poverty:

- damages childhood experience through limiting access to activities, services and opportunities, increasing exposure to risks, and diminishing access to the resources and support that increase resilience. All these can lead to bad outcomes for poor children;
- contributes to and can result from social exclusion, a shorthand term for what can happen when people or areas suffer from linked problems such as unemployment, poor skills, poor housing, high crime, bad health and family breakdown;¹ and
- denies equality of opportunity which can eventually blight adult life, leading to cycles of disadvantage. Growing up in a low-income household was more likely to lead to poverty in adulthood for those born in 1970 compared to those born in 1958.²

The impact of child poverty

2.2 While some children who grow up in low-income households will go on to achieve their full potential, many others will not. Poverty places strains on family life and excludes children from the everyday activities of their peers. Many children experiencing poverty have limited opportunities to play safely and often live in overcrowded and inadequate housing, eat less nutritious food, suffer more accidents and ill health and have more problems with school work.

2.3 Much evidence exists of the link between growing up in a low-income household and experiencing a specific outcome, such as low educational attainment.³ Some children not only live in low-income families, but experience other poor outcomes, sometimes in combination with one another, reinforcing the need for a broad anti-poverty strategy that looks across the range of public services and welfare reform.⁴

THE CAUSES OF CHILD POVERTY

2.4 The UK has had one of the worst records on child poverty among industrialised nations. The proportion of children living in households with below 60 per cent of contemporary median income more than doubled between the late 1970s and mid 1990s. This was largely due to: demographic changes, in particular a growth in the number of lone parent families; a concentration of worklessness among low-skilled households; and a widening wage distribution with increased in-work poverty and weaker work incentives.⁵

¹ See the Government's Social Exclusion Unit website for further details <http://www.socialexclusionunit.gov.uk/>.

² *Changes in inter-generational mobility in Britain*, J. Blanden, A. Goodman, P. Gregg and S. Machin, Centre for the Economics of Education, London School of Economics and Political Science, June 2002. See also S. Aldridge's presentation *Life chances and social mobility: an overview of the evidence*, http://www.strategy.gov.uk/files/pdf/lifechances_socialmobility.pdf

³ *Poverty: the outcomes for children*, J. Bradshaw (Ed.) Family Policy Studies Centre, ESRC, 2001.

⁴ Unpublished preliminary re-analysis of Families and Children Study 2002 data.

⁵ *Whither poverty in Great Britain and the United States? The determinants of changing poverty and whether work will work*, R. Dickens and D. Ellwood, National Bureau of Economic Research, Cambridge, MA., April, 2001.

2.5 Within households, child poverty can also be associated with a change in family circumstances, such as losing a job, having a baby, relationship breakdown or bereavement.⁶ Families who face barriers to the financial and other support and services they need to cope with these transitions can fall into poverty. If the family experiences several such events, the risks to children can increase.

2.6 Annex B provides a breakdown of some key parental characteristics and their links with children in low-income households. It presents the proportion and number of children in low-income in different categories, and the risk of being in low income for children in those categories.

The role of public services

2.7 Poor children typically experience multiple disadvantage and may therefore have a greater need for support from public services. Public services are critical in both ameliorating some of the immediate impacts of growing up in poverty and providing poor children with opportunities to enhance their life chances and thus break cycles of deprivation. In addition, they make an important contribution to supporting parents to find, stay and progress in work.

2.8 However, there is evidence that despite their higher needs, poor families do not always manage to access the services they need, or the services available to them may be inferior. This exclusion is often worse for some of the families whose children face an above average risk of being in low income, such as ethnic minority households and disabled people. So the very families who may need the most support to escape poverty do not always receive it.

THE CASE FOR GOVERNMENT INTERVENTION

2.9 The Government wants to support and protect children while they are young to enable all children to enjoy a quality of life that some may take for granted. Childhood experience also lays the foundations for later life, so it is important to provide children and young people with the opportunities they need to reach their full potential as adults. This will contribute to a more socially cohesive and productive society.

2.10 The state has a clear role in supporting and protecting children so that they do not suffer as a result of their parents' circumstances. Tackling child poverty will help to improve children's lives while they are young, but it will also enhance their opportunities as adults and subsequently the opportunities of their children, thus perpetuating a virtuous cycle.

2.11 Tackling child poverty can also have knock-on benefits that go beyond the individual, for example in improving social inclusion, reducing the burden on public services and contributing to national productivity. While the Government recognises that bringing up and supporting children is largely the responsibility of parents, the state has a role in helping parents, through financial and other support, to do the best they can for their children. As individual families and children are different, support must be tailored, with more help provided when and where it is needed most.

HOLDING THE GOVERNMENT TO ACCOUNT

2.12 Given poverty's complex causes and effects, it is difficult to identify a single measure that captures it fully. The Government wants to ensure the public can hold it to account and it is committed to reporting on progress against the child poverty goal in a way that balances a recognition of the complexity of poverty with the need for clear measures.

⁶ *Families and children 2001: living standards and the children*, S. Vegeris and J. Perry, Department for Work and Pensions, Research Report 190, July 2003.

New long-term measure of child poverty

2.13 The Government's new long-term measure reflects the key role of income, but goes beyond this by incorporating a measure of material deprivation. The Government also monitors progress in *Opportunity for all* using a wide range of indicators that cover aspects of equality of opportunity and social inclusion.⁷

2.14 *Measuring child poverty*⁸ set out the Government's decision to use a tiered approach to measure child poverty for its long-term goal to halve and eradicate child poverty. The new measure is set out in Box 2.1.

Box 2.1: The new long-term measure of child poverty

Absolute low income – to measure whether the poorest families are seeing their incomes rise in real terms.

Relative low income – to measure whether the poorest families are keeping pace with the growth of incomes in the economy as a whole.

Material deprivation and relative low income combined – to provide a wider measure of people's living standards.⁹

2.15 The Government believes this measure provides the right balance between clarity and comprehensiveness. The inclusion of an indicator of material deprivation demonstrates the importance of the practical effects of living on a low income. It will help the Government to focus on those families facing particular difficulties due to high housing costs and other costs, such as childcare and travel to work, that can reduce disposable incomes and leave people poor. Because it incorporates a higher relative income line, it will count as poor for the first time some children disadvantaged in this way. The material deprivation tier will also capture the effects of persistent poverty.¹⁰ This, combined with the way in which the Government measures progress on child poverty, will help to ensure that policies are appropriately targeted.

2.16 Broadening the way the Government measures progress in tackling child poverty reinforces the need for a wide-ranging strategy. In particular, incorporating a measure of material deprivation highlights the importance of encouraging steady employment, providing stable financial support to families regardless of work status. In addition, tackling financial exclusion and improving the availability of decent housing are important contributors to reducing material deprivation.

2.17 Using the new measure, poverty is falling when all three indicators are moving in the right direction. The new three-tiered measure will be used to inform the setting of future child poverty PSA targets.

⁷ *Opportunity for all*, Department for Work and Pensions, September 2003.

⁸ *Measuring child poverty*, Department for Work and Pensions, December 2003.

⁹ For this tier of the measure, material deprivation is defined as lacking certain goods and services, using data from the *Family Resources Survey*. *Measuring child poverty* gives further details of the suite of questions used to assess material deprivation and the basis for their selection.

¹⁰ *The relationship between income and living standards over time*, R. Berthoud, and E. Bardasi, Department for Work and Pensions Research Report, forthcoming.

The 2004 Spending Review announces a new Public Service Agreement (PSA) target, shared by the Department for Work and Pensions and HM Treasury to:

- *halve the number of children in relative low-income households between 1998-99 and 2010-11, on the way to eradicating child poverty by 2020.*

Achieving this target will require further steps to help parents into work as work is the best route out of poverty for most families. The Government will continue to help parents into work, particularly those in workless households, lone parents, those with disabilities and those from ethnic minority groups. Providing financial support to families, with more help to those who need it most, when they need it most is also a key element of the child poverty strategy. Next steps include:

- more work-focused interviews, and work search premiums to encourage lone parents and non-working partners in low-income families into work;
- *reducing the proportion of children living in workless households by 5.0 per cent between spring 2005 and spring 2008;*
- *increasing the proportion of Parents with Care on Income Support and income-based Jobseeker's Allowance who receive maintenance for their children to 65 per cent by March 2008;*
- enhancing the provision of good quality, accessible childcare. The Sure Start Unit has a new target: *as a contribution to reducing the proportion of children living in households where no one is working, by 2008: increase the stock of Ofsted-registered childcare by 10 per cent; increase the take up of formal childcare by lower income working families by 50 per cent; and introduce, by April 2005, a successful light-touch childcare approval scheme;*
- a long-term aspiration to improve the financial support available to large families; and
- analysing data on take-up of income related benefits and tax credits to assess whether there are systematic differences by ethnic group.

INTRODUCTION

3.1 One defining feature of poor children's lives is that their family's economic situation will often limit their opportunities in life. Children's economic well-being is largely determined by the employment status of their parent or parents. Family income is also affected by the nature and levels of state financial support and child support and degree of financial inclusion. This last point is considered in Chapter 4.

3.2 The likelihood of parents engaging in work depends on a wide range of interlinked factors. Macroeconomic stability and a flexible labour market are key and are complemented by policies to encourage and support people to move off welfare and into work. This can be achieved through a combination of bringing parents into contact with the labour market, improving the financial returns to work and addressing key barriers to work such as problems acquiring childcare and a lack of appropriate transport. Transport is covered in Chapter 5.

3.3 Certain groups, such as ethnic minority and disabled people, may face additional barriers to work. Tackling them is critical. Skills are a crucial determinant of employment prospects, including progression in work and potential earning power; while Chapter 5 explores education more generally, adult skills are considered here.

RELEVANCE TO TACKLING CHILD POVERTY

The importance of family income

3.4 Low income is often used as a proxy for poverty and there is growing evidence that low income itself, even controlling for other key factors related to poverty, has a direct impact on outcomes. Children in low-income families have a lower quality home learning environment which leads directly to worse academic achievement. Studies show that poor children have access to fewer books and toys, make fewer trips to places of interest such as museums and libraries, live in poorer neighbourhoods, have access to less good quality childcare and are less likely to have a computer in the home. All of these have been found to have substantive influences on children's academic development.¹

3.5 Data for 2002-03 show there were 2.6 million children living in low-income households in Great Britain.² In general these children will be exposed to a range of risk factors linked to their families' characteristics resulting in one or more bad outcomes.

3.6 Children who grow up in low-income households are more likely than others to:

- achieve less at school: achievement gaps between children in high and low-income families emerge from a very early stage. Using data from major longitudinal studies of 1958 and 1970, a drop in family income of £150 per week was estimated to produce a 16 per cent increase in the probability of leaving school with no 'O' levels.³ Family money problems have been linked to absenteeism from school;⁴ and
- become unemployed or do low paid jobs. Children growing up in poverty are more likely to become economically inactive. This finding was strongest when the child experienced poverty in pre-school years or in adolescence.⁵

3.7 Some of the mechanisms through which low income leads to poor outcomes are beginning to be understood. But a large part of the influence of income on outcomes is unexplained – income matters, but the reasons why are not always clear. This is probably because income is correlated with a range of factors that also influence children's achievements, but are rarely picked up in studies: for example, the existence of positive role models within a community and the aspirations, expectations and self-confidence of parents.⁶

The role of parental employment

3.8 For around 85 per cent of children in the UK, the main source of family income will be earnings from employment. Whilst young children generally benefit from parental care, parental employment, in addition to providing income for a family, can have a range of other direct and indirect benefits for children:

- qualitative evidence suggests that children benefit from growing up with adults who are connected to the labour market, perhaps helping them make the link between educational achievement and fulfilment in later life;⁷

¹ *Family income and educational attainment: a review of approaches and evidence for Britain*, J. Blanden and P. Gregg, Centre for Market and Public Organisation, University of Bristol, working paper 04/101, April 2004.

² Data from *Households below average income, 1994-95 – 2002-03* Department for Work and Pensions, March 2004. Low income is defined as less than 60 per cent of contemporary median income, before housing costs.

³ *Family income and children's educational attainment: evidence from the NCDS and BCS*, J. Blanden, P. Gregg and S. Machin, working paper 2001.

⁴ *Links between school absenteeism and child poverty*, M. Zhang, Pastoral Care in Education, March 2003.

⁵ *Outcomes for children of poverty*, J. Ermisch, M. Francesconi and D.J. Pevalin, Department for Work and Pensions Research Report 158, 2001.

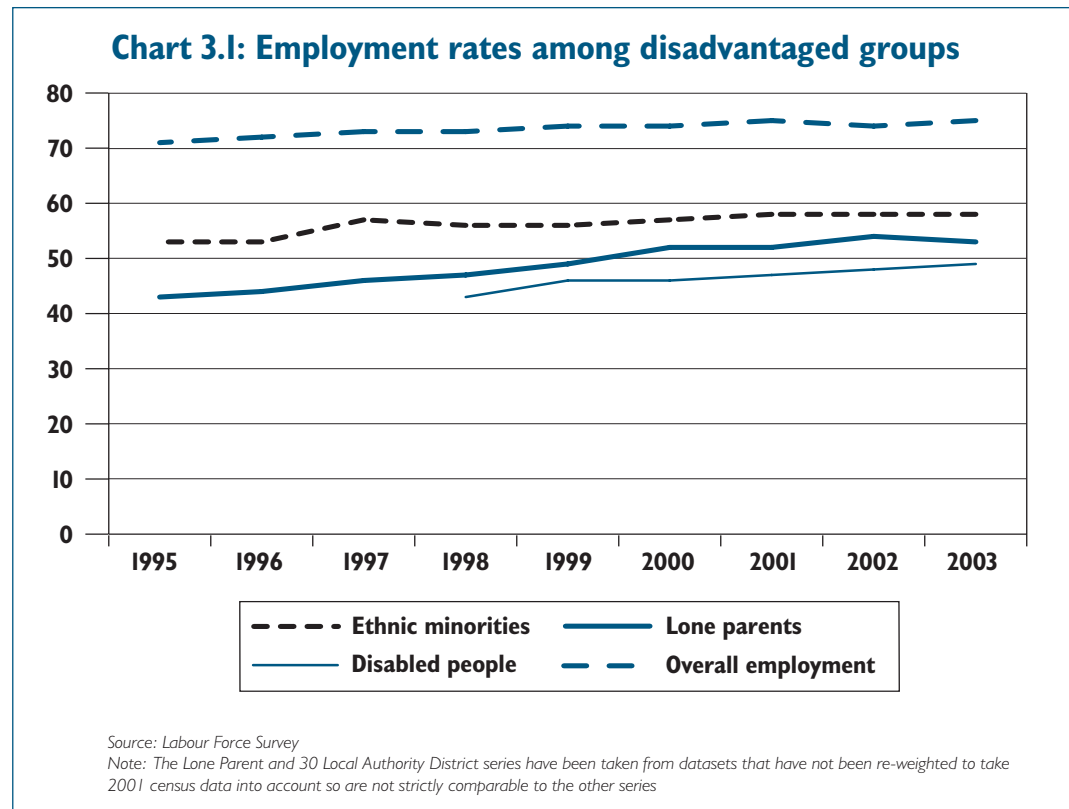
⁶ *The relative economic importance of academic, psychological and behavioural attributes developed in childhood*, in What do we know about brain development and childhood interventions?, L. Feinstein, Centre for Economic Performance, London School of Economics, July 2000. Feinstein found that psychological and behavioural characteristics at age ten were linked to social class and that they subsequently affect labour market outcomes.

⁷ *Making an Impact? Exploring the role of Government policies in household change - findings from qualitative case studies*, J. Graham, A. Mowlam, K. Woodfield and J. Dixon, Social Exclusion Unit, forthcoming 2004. See also *Low income families and household spending*, C. Farrell and W. O'Connor, Department for Work and Pensions research report 192, July 2003.

- in many cases, parental employment can bring benefits to the adults involved through extended social networks and a greater sense of control, reducing mental health problems and producing knock-on benefits for children⁸; and
- maternal employment in particular can be an important protection against future hardship: eight out of ten mothers who had jobs before becoming lone parents continued in paid employment after separation from their partner.⁹

3.9 So the employment status of parents and family income are closely linked. Children in workless households are at substantially higher risk of being in low-income households and do not enjoy the benefits outlined above. There are around 1.8 million children living in workless households in the UK. Over half these children are also categorised as being in low income.¹⁰

3.10 Lone parents, along with disabled people and people from ethnic minorities all have relatively low employment rates compared to the population as a whole. Chart 3.1 shows that progress has been made in raising the employment rates of these groups, but that these remain well below overall employment levels.



3.11 Low employment rates in these groups are largely due to barriers to work such as health problems, low skills, discrimination, lack of support in the workplace, problems accessing childcare, other care responsibilities, and limited access to key public services such as transport. Examples of such interlinked barriers and their prevalence include:

- a third of lone parents on benefits have a health condition or disability. Over two thirds of workless couple parents report that at least one parent has a

⁸Mental Health and Social Exclusion, Social Exclusion Unit, June 2004. See also *Lone parents, Health and Work*, J. Casebourne and L. Britton, DWP Research Report, forthcoming August 2004. and *Making an Impact?*, Graham et al., Social Exclusion Unit, forthcoming 2004.

⁹*Families and children 2001: living standards and the children*, S. Vegeris and J. Perry, Department for Work and Pensions Research Report 190, 2003.

¹⁰*Households below average income 1994-95 – 2002-03*, Department for Work and Pensions, March 2004.

health condition or disability. There are around 1 million workless, disabled parents. A significant proportion say they would like to work;¹¹

- people with poor literacy, language or numeracy skills are less likely to be employed and if in work, more likely to have lower levels of productivity and earn less. There are around 5.2 million adults in England with poor literacy skills and 6.8 million with poor numeracy skills;¹²
- lone parents, disabled people and people from certain ethnic minority groups such as Pakistanis and Bangladeshis, are more likely to have no or low skills compared to the rest of the working population;¹³
- non-working mothers cited childcare costs and availability as key barriers preventing them looking for work. 16 per cent of lone parents and 9 per cent of couple mothers reported costs as a barrier and 8 per cent and 4 per cent respectively cited availability;¹⁴
- it is estimated that only 3 per cent of mothers with disabled children work full-time compared to 22 per cent of mothers with non-disabled children. The figures for part-time workers are 13 per cent and 39 per cent respectively;¹⁵ and
- two out of five jobseekers say that lack of transport is a barrier to getting a job. Almost a quarter of lone parents cannot afford a car.¹⁶

3.12 These barriers are also associated with poor outcomes for children, compounding the potential ill-effects of low income and lack of employment.

THE GOVERNMENT'S AIM

Work for those who can

3.13 The Government believes that helping parents into work is the most sustainable way to tackle child poverty and give children better opportunities to succeed in later life. The Government's long-term goal of employment opportunity for all is therefore central to the child poverty agenda. It aims to ensure a higher proportion of people in work than ever before by 2010. The Government believes that everyone who is able and wants to work should have the opportunity to do so, and should be given support appropriate to their individual needs.

3.14 This vision is supported by the Government's commitment to:

- macroeconomic stability and an efficient and flexible labour market;
- investing in education and training to equip workers with the right skills for the labour market today and in the future;
- helping people move from welfare to work, preventing them from becoming detached from the labour market and overcoming barriers to work. This includes:

¹¹ *Labour Force Survey*, Office for National Statistics, Spring 2003.

¹² *Departmental Report 2004*, Department for Education and Skills, April 2004. Reporting on the findings of the 'Skills for life' survey in 2003.

¹³ *Families and children in Britain: findings from the 2002 Family and Children Study (FACS)*, Department for Work and Pensions Research Report 206, 2004. *In Demand: adult skills in the 21st century*, Performance and Innovation Unit report, November 2001. *Disabled for life?* Department for Work and Pensions Research Report, 173, 2002.

¹⁴ *Families and children in Britain: findings from the 2002 Families and Children Study (FACS)*, Department for Work and Pensions Research Report 206, 2004.

¹⁵ *Disabled children, their families and child poverty*, Briefing Paper produced by End Child Poverty with the Council for Disabled Children, 2003. Data are based on Family Fund Trust 2002 data and General Household Survey data for 2002.

¹⁶ *Making the connections: final report on transport and social exclusion*, Social Exclusion Unit, February 2003.

- access to flexible, affordable, good quality childcare delivered locally and conveniently with parents able to choose between providers;
- financial help to lower and middle income parents to meet the costs of childcare;
- more choice and support for parents so they can balance their work and family lives, including parental leave and rights; and
- a transport system that is safe, efficient, clean and fair. Public transport should be available to all, responding efficiently to the needs of individuals and businesses;
- extending support to areas and groups suffering from the greatest employment disadvantage, working towards full employment in every region; and
- reforming the tax and benefit system to make work pay and eliminating perverse incentives.

Financial support for families **3.15** While work is the best long-term way to lift families out of poverty, the Government believes that a child's life chances should not be determined by their parent's capacity to earn. The Government wants to support families through a modern welfare system, recognising the additional costs that families face, alongside maintaining incentives to work.

3.16 The Government's reform of the tax and benefit system is based on the principle of progressive universalism, delivering help for all families and more help for those who need it most, when they need it most.

3.17 The Government's aim is to provide a secure stream of income for families with children which does not depend on the employment status of their parents, thereby creating a stable income bridge to help families to move into work. The Government wants the system of support to be transparent, non-stigmatising and responsive.

Child Support **3.18** The Government wants to ensure that where children do not live with both parents the non-resident parent contributes to the financial support for their children. To help parents fulfil their responsibilities to their children, the child maintenance service should be simple, flexible and efficient.

PROGRESS AND NEXT STEPS

3.19 This section summarises progress in helping parents into work through active labour market policies and making work pay. It outlines progress in tackling key barriers to work. Reforms to the tax and benefit system and their impact on family incomes are outlined and next steps summarised.

Child poverty target **3.20** Chapter 1 outlined the current Public Service Agreement (PSA) target for tackling child poverty and progress to date. **The 2004 Spending Review announces a new child poverty PSA target**, shared by the Department for Work and Pensions and HM Treasury:

halve the number of children in relative low-income households between 1998-99 and 2010-11, on the way to eradicating child poverty by 2020. As a contribution to this DWP is also committed to:

- *reducing the proportion of children living in workless households by 5.0 per cent between spring 2005 and spring 2008; and*

- *increasing the proportion of Parents with Care on Income Support and income-based Jobseeker's Allowance who receive maintenance for their children to 65 per cent by March 2008.*¹⁷

3.21 As explained in *Measuring child poverty*, low income will be measured on a before housing costs basis. This is in line with international practice. The Government will continue to monitor progress against a range of other indicators including income measured on an after housing costs basis and regional data.

3.22 **The Government will also set an additional target in the 2006 Spending Review to halve by 2010-11 the number of children suffering a combination of material deprivation and relative low income.**¹⁸ Data necessary for a baseline for this target are being collected and will be available in early 2006. A higher income threshold will be combined with material deprivation to help capture more of the poverty faced by families with low disposable incomes, as they face certain unavoidably high costs, for example, in areas where rents are high.

3.23 The Government will judge whether child poverty has been halved by 2010-11 not only on the basis of the relative low-income indicator but also on the basis of the additional combined material deprivation and relative low-income indicator.

Work for those who can and making work pay

Employment 3.24 Employment is currently at record highs, having risen by over 1.8 million since spring 1997. The proportion of children living in workless households has fallen from 17.9 per cent in spring 1997 to 15.0 per cent in autumn 2003 and the number of children in workless households has fallen by nearly 400,000 since 1997. The employment rate of lone parents has increased from 46 per cent in 1997 to 53 per cent in 2003.

3.25 **This Spending Review demonstrates the Government's continued commitment to employment opportunity for all with a PSA target:** *as part of the wider objective of full employment in every region, over the three years to spring 2008, and taking account of the economic cycle:*

- *demonstrate progress on increasing the employment rate (joint target with HM Treasury);*
- *increase the employment rates of disadvantaged groups (lone parents, ethnic minorities, people aged 50 and over, those with the lowest qualifications and those living in the Local Authority wards with the poorest initial labour market position); and*
- *significantly reduce the difference between the employment rates of the disadvantaged groups and the overall rate.*

3.26 The Government's commitment to helping people move from welfare to work through active labour market policies has been a key driver of the increases in employment rates. Since 1997, a range of active labour market policies have been implemented, providing support for groups disconnected from the labour market to help them tackle barriers to work and find employment. Table 3.1 summarises the key Jobcentre Plus measures.

¹⁷ The PSA Technical Note gives further details and will be available on the HM Treasury and Department for Work and Pensions websites: <http://www.hm-treasury.gov.uk> and <http://www.dwp.gov.uk>.

¹⁸ Success in halving the number of poor children on this measure will be judged if there is an equivalent reduction to that required on relative low income between 2004-05 and 2010-11.

Table 3.1: Jobcentre Plus measures contributing to tackling child poverty

Measures already implemented or currently in delivery	
Oct 2003	<p>Employment Zones (EZ) – offered as an alternative to New Deal for Lone Parents (NDLP) in 7 Zones with further Zones added from April 2004 (see below). (Area-based initiative operating until 2007).</p> <p>Employment Retention and Advancement Demonstration (ERA) A pilot testing new financial incentives and support mechanisms in six Jobcentre Plus districts, aimed at supporting customers – including lone parents – when they are in work and helping them advance from their entry level job.</p>
April 2004	<p>Continuing rollout of Work Focused Interviews (WFIs) for lone parents – Making WFIs compulsory for lone parents with an existing claim to Income Support whose youngest child is under 5. Rollout of this final phase is due to complete April 2006.</p> <p>Employment Zones Extending EZ approach to NDLP clients in Liverpool, Birmingham and Glasgow. In the three London Zones, NDLP ceases and EZ support is offered as a replacement.</p> <p>Extended Schools – Sure Start working with LEAs and Jobcentre Plus to help lone parents to return to work by improving provision of childcare through extended schools initiative. The first three areas (from April 2004 – March 2006) are Bradford, Lewisham and Haringey LEAs. The pilot is now being extended to Leicester, Leicestershire, Greenwich and Sandwell from October 2004.</p> <p>Childcare Tasters – Offering the lone parent a discussion with a Childcare Broker about childcare options. Tasters allow up to 5 days trial of childcare provider. Pilot in Extended Schools areas only.</p> <p>Debt Counselling A new fund available for districts to procure local debt counselling provision for lone parents, partners and other non-JSA customers where debt is a barrier to employment or debt advice is not currently accessible.</p> <p>Working Neighbourhoods Pilot in 12 Local Authority Wards, testing increased frequency of WFIs for lone parents and partners, and a flexible discretionary fund.</p> <p>Relaunch of New Deal for Partners Offering the same package of training and support options for the partners of unemployed people as is currently available to lone parents.</p> <p>WFIs for Partners Supporting the re-launched New Deal for Partners, all integrated Jobcentre Plus offices to introduce compulsory WFIs for all partners of new and existing benefit claimants. Rollout of WFIs for Partners will not conclude until April 2006</p>
June 2004	<p>Tailored Mentoring / Discovery Weeks In six metropolitan areas, part of the ‘Work Works’ recommendations:</p> <ul style="list-style-type: none"> • mentors offer support and encouragement to lone parents who are not ready to join NDLP or look for work; and • Discovery Weeks offer lone parents the opportunity, over the course of one week, to explore the benefits of work outside of the work environment. (Both elements are voluntary.)
Measures not yet implemented	
Sept 2004	<p>Quarterly WFIs in Extended Schools Areas Lone Parents whose youngest child is 12 or over to attend for a WFI every 13 weeks (26 weeks elsewhere). Pilot in Extended Schools areas only.</p>
Oct 2004	<p>In Work Emergencies Fund in Extended Schools Areas A new fund in six cities offering financial support to lone parents for emergency expenses in their first 60 days of work.</p> <p>In Work Credit A weekly payment of £40 per week, for up to 52 weeks, for lone parents when they move into work. Piloted in 12 Jobcentre Plus districts.</p> <p>Job Grant A new grant of £250 for Lone Parents entering work. This replaces the existing Lone Parent Run-On and Back to Work Bonus (because the value of the current Run-On is eroded once the lone parent migrates to Child Tax Credit).</p> <p>Mandatory Action Plans At the WFI, advisers will be required to complete an action plan for every lone parent. There is no compulsion on the lone parent to participate or sign up to any of these actions.</p> <p>Work Search Premium A weekly payment of £20 for up to 26 weeks for lone parents agreeing to and following an action plan aimed at helping them move closer to the labour market. Available in eight of the in-work credit pilot areas.</p>
April 2005	<p>Childcare Assist A new initiative to provide funding for childcare costs for New Deal for Lone Parent and New Deal for Partners participants in the week before they start work.</p>
Oct 2005	<p>Quarterly WFIs A WFI every 13 weeks for all lone parents claiming whose youngest child is between 14-15 years old.</p>

Lone parent employment 3.27 The New Deal for Lone Parents (NDLP) has been crucial in helping to tackle child poverty and contributing towards the Government's target for 70 per cent of lone parents to be in work by 2010. It is described in Box 3.1.

Box 3.1: The New Deal for Lone Parents

The NDLP is a flexible, generous programme with a highly personalised approach, individually tailored to meet a lone parent's needs to move into work. Evaluation evidence shows that this approach is effective.

Of the 541,100 lone parents who have joined NDLP, over 247,000 have been helped into employment. Independent evaluation of NDLP suggests that the programme doubles the employment chances of participants: 50 per cent of participants entered work compared to 26 per cent of non-participants.

Job information is provided to lone parents through: compulsory work-focused interviews at Jobcentre Plus offices with trained advisers; mentoring targeted at lone parents furthest from the labour market; and Discovery Weeks designed to boost soft skills such as the confidence of lone parents, and promote contact with local employers.

Lone parents who decide to join the NDLP can receive support from specially trained personal advisers in order to help them address their barriers to employment. The type of help available may include:

- work towards job readiness through mentoring, confidence building and personal support;
- building skills through training (including a grant of £15 per week);
- in-work training through the Employment Retention and Advancement Demonstration project;
- childcare, including expert advice on local provision, childcare taster sessions and financial assistance with the costs of childcare through the Adviser Discretionary Fund; and
- financial assistance for example through the 'better off in work' calculation, debt advice and help claiming tax credits.

Job search assistance is provided through measures including a worksearch premium of £20 per week (in certain areas from 2004); a full range of Jobcentre Plus worksearch assistance; and employer engagement, especially to encourage flexible working.

From October 2004, in six cities¹⁹ with high lone parent populations, the Government will continue to develop the strategy of ensuring that lone parents are aware of the opportunities available to them and have the support they require to maximise their potential in the labour market.

The new measures will include a new communications strategy and access to NVQ level 3 training in sectors where local employers identify a demand for skills, including NVQ level 3 training in childcare (a sector in which remedying an acute skills shortage is critical to addressing barriers to work). Lone parents in these areas will also be eligible for enhanced support from personal advisers and funding in their first two months in work to overcome barriers that might otherwise make it difficult to remain in work.

¹⁹ Birmingham, Glasgow, Leeds/Bradford, Liverpool, London and Manchester. See *Work Works: Final Report of the National Employment Panel's steering group on lone parents*, National Employment Panel and British Telecommunications, April 2003.

3.28 Work-focused interviews (WFIs) ensure that lone parents are aware of the help and support that is available to them. Independent evaluation shows that WFIs have significantly increased participation in the NDLP while maintaining the rate at which participants find jobs.²⁰ The Government is continuing to roll out WFIs to ensure that all lone parents are able to make informed choices about the labour market and by April 2006 the rollout to existing claimants will be complete. **From October 2005, lone parents will be required to attend an interview once every three months when their youngest child is aged 14 or over to help them prepare for the transition to Jobseeker's Allowance when their child reaches 16. In addition, from October 2004, a compulsory action plan will be completed for all lone parents during their regular WFI.**

3.29 Making work pay is key to the Government's strategy of helping workless people back into employment. Budget 2003 announced that in 12 locations across the country, including four in London, the Government would pilot a £40 per week in-work credit for lone parents who have been on Income Support for one year or more from October 2004. To tackle the particular problem of work incentives in London, this in-work credit will be available to all parents in London who have been out of work and on certain benefits for more than a year.²¹

3.30 To help with the costs involved in looking for work, Budget 2003 announced that **from October 2004 a new worksearch premium of £20 per week, paid on top of normal benefit entitlements, will be available in eight of the in-work credit pilot areas to lone parents who have been on Income Support for more than a year, and who voluntarily choose to search actively for a job.** Lone parents taking part in the pilots will also be entitled to free formal childcare while undertaking worksearch activities.

Helping partners into work

3.31 Around 800,000 children live in couple single-earner families with low incomes. Tackling child poverty requires the extension of work-focused support for non-working partners in these families. As announced in the 2003 Pre-Budget Report, **from October 2004 the Government will extend eligibility of the New Deal for Partners (NDP) to those in a family in receipt of the Working Tax Credit (WTC) who are either not working or are working less than 16 hours a week.**

3.32 In recognition of the fact that the costs of looking for work may act as a disincentive to non-working partners in single-earner families, Budget 2004 announced that **from October 2005 a new worksearch premium of £20 per week will be available to those in a family in receipt of the WTC who are not working, who agree to join the enhanced NDP and voluntarily choose to search actively for a job, in six pilot areas with high levels of worklessness.**

3.33 The 2004 Spending Review also supports the development of new ways of focusing resources on those most in need of support. In *Building on New Deal*,²² the Government announced its plans for **a new framework for devolving more responsibility for the allocation of resources to local managers to help them make more efficient use of the funding available to tackle local and national priorities. As part of its Spending Review settlement, the DWP will be developing and testing this model in a number of prototype areas.**

²⁰ *New Deal for Lone Parents: second synthesis report of the national evaluation*, M. Evans, J. Eyre, J. Millar and S. Sarre, Centre for Analysis of Social Policy, University of Bath, June 2003.

²¹ In-work credit is available in all areas of London except North East London, which is covered by the Employment Retention Advancement Demonstration, (ERAD) which provides in-work advice as well as financial support.

²² *Building on New Deal*, Department for Work and Pensions, June 2004.

Employment opportunities for sick and disabled people

3.34 There are around 800,000 dependent children living in households with adult claimants of benefits for sick or disabled people.²³ In order to do more to help people on Incapacity Benefit (IB) return to work the Government is spending almost £100 million over the three years 2003-04 to 2005-06 piloting IB reforms in seven Jobcentre Plus districts. The key elements are: more skilled adviser support; a series of additional work-focused interviews; rehabilitation programmes; improved financial incentives; and engagement of key stakeholders including employers and General Practitioners.

3.35 Through the Pathways to Work pilots the Government is significantly increasing support for IB customers to help them realise their aspirations of moving into work. As announced in Budget 2004, **the support available in the existing Pathways pilot areas will be extended from early 2005 with the piloting of a mandatory work-focused interview regime for some existing customers and a job preparation premium.** The new and existing provision will be evaluated robustly and rigorously to assess what interventions are most effective and to shape the scope for rollout to other areas.

3.36 In the three years to March 2008 the Department for Work and Pensions has a PSA target to:

- *further improve the rights of disabled people and remove barriers to their participation in society, working with other Government departments, including through increasing awareness of the rights of disabled people;*
- *increase the employment rate of disabled people, taking account of the economic cycle; and*
- *significantly reduce the difference between their employment rate and the overall rate, taking account of the economic cycle.*

3.37 The Prime Minister's Strategy Unit will soon conclude a project on *Improving the life chances of disabled people*. The recommendations will include a clear vision of the Government's policy commitment to disabled people, principles to ensure that the rights of disabled people are fully mainstreamed into policy design and delivery and specific policy recommendations aimed at removing the barriers disabled people may face.²⁴

3.38 Many people with a mental health condition want to work, but fewer than a quarter actually do. A recent report by the Social Exclusion Unit sets out a comprehensive action plan to bring improvements to the full range of services for adults with a mental health condition.²⁵ It identifies a number of policies to help adults into, and remain in, work and will support the delivery of the Government's objective to increase employment opportunities for people with a health condition or disability.

Employment opportunities for ethnic minority groups

3.39 In recognition of the persistence of disparities in employment outcomes for people from ethnic minority groups, the Prime Minister's Strategy Unit reported to Government in March 2003.²⁶ The recommendations included specific policy measures, reviews of current policy and carrying out research where evidence on the best policy response is required. These were accepted by the Government and are now being taken forward by five Government departments working together through the Ethnic Minority Taskforce.²⁷ Recommendations include action to:

²³ This includes families with an adult claiming Incapacity Benefit, Severe Disability Allowance, Disability Living Allowance and Income Support with a disability premium. Source: Client Group Analysis, Department for Work and Pensions, November 2003.

²⁴ *Improving the life chances of disabled people: interim analytical report*, Cabinet Office Strategy Unit, June 2004.

²⁵ *Mental Health and Social Exclusion*, Social Exclusion Unit, June 2004.

²⁶ *Ethnic minorities and the labour market*, Cabinet Office Strategy Unit, March 2003.

²⁷ Department for Education and Skills, Department of Trade and Industry, Department for Work and Pensions, Home Office and the Office of the Deputy Prime Minister.

- improve employability by raising levels of educational attainment and skills;
- connect people with work by reforming existing employment programmes, tackling specific barriers to work in deprived areas, and promoting self-employment; and
- promote equal opportunities in the workplace through better advice and support to employers, and through more effective use of levers such as public procurement.

3.40 Since April 2004, specialist employment advisers have been introduced in Jobcentre Plus districts with high ethnic minority populations, to work with employers on diversity issues and open up vacancies to ethnic minority jobseekers. In recognition of the important role that employers play in enabling people from disadvantaged ethnic groups to overcome barriers to their participation in the labour market, Budget 2004 announced **the introduction of 'Fair Cities' initiatives in three areas later this year, to work with employers and other local stakeholders to develop strategies in order to improve employment outcomes for people from disadvantaged ethnic minority groups.**

3.41 Over this Spending Review period, the Government will incorporate lessons on what works from targeted initiatives such as these in order to further improve outcomes for ethnic minority clients within mainstream employment programmes. The Government will also examine other ways to address barriers to ethnic minority participation in the labour market, for example improving the approaches to tackling employer discrimination.

3.42 The Government has recently examined the range and availability of its employment provision, and has announced its proposals for the evolution of the New Deal, founded on movement towards greater local flexibility and less central prescription, while retaining central control over core elements.²⁸ This extension of greater freedom and flexibility to front-line staff will enable all groups, including people from ethnic minorities, to receive support more closely tailored to their individual needs. The Government will pilot this new approach, and in doing so will specifically test the effectiveness of different degrees of flexibility on improving employment outcomes for ethnic minority clients in order to inform the final design of the new framework.

3.43 When the new flexible framework is implemented nationally, the Government will introduce mechanisms to monitor the effect that the new flexibilities have on the proportion of resources being directed towards different ethnic groups, as well as continuing to drive forward improvements in ethnic minority outcomes. Ministers will retain the ability to override local flexibilities on some occasions in order to provide robust pilots or to tackle particular priorities; there will continue to be scope to test new approaches to improving outcomes for ethnic minorities as the Government strives to ensure that no one is disadvantaged by their ethnicity.

3.44 Tackling race inequalities is a powerful lever in addressing child poverty. **The 2004 Spending Review establishes a PSA target for the Home Office: to reduce race inequalities and build community cohesion.** The target will be underpinned by monitoring across Government in tackling inequalities of outcomes for ethnic minority groups in key public services. The Government will assess how the benefits of the duty to promote race equality in the RR(A)A could be achieved more widely, and will consider the case for extending the duty to private sector and voluntary organisations carrying out functions of a public nature, without imposing excessive regulatory and bureaucratic burdens.

²⁸ *Building on New Deal*, Department for Work and Pensions, June 2004.

3.45 The Commission for Equality and Human Rights (CEHR), which will be formed over the 2004 Spending Review period and take on agreed responsibilities for equality, will be central to delivering many of these outcomes. The CEHR will take on the responsibilities of the Commission for Racial Equality, on which the Home Office lead, as well as other existing equality and human rights commissions into a single, unified and independent body. The Home Office, with other interested sponsor departments, will be responsible for ensuring that the CEHR offers a coherent and cost-effective way of providing support across all strands of discrimination.

3.46 The voluntary and community sector (VCS) plays an important role in reducing disparities in employment outcomes for people from ethnic minority groups. Following the Voluntary and Community Sector Review 2004, **DWP will publish in the autumn of this year an action plan for effective VCS involvement in ethnic minority employment.**

Making work pay **3.47** The Government's strategy to make work pay has improved incentives for individuals to participate and compete in the labour market, making it more flexible and dynamic. Through the National Minimum Wage (NMW) and WTC, the Government has created a system of in-work support that provides greater rewards for work.

3.48 The NMW guarantees a fair minimum income from work. It was introduced in April 1999. It has had no discernible negative impact on overall employment, inflation or the wider economy;²⁹ indeed since its introduction, employment in the UK economy has increased by 1.3 million. It is estimated that between 1.6 and 1.9 million workers will benefit from the next increase in the NMW in October 2004.³⁰

3.49 The WTC, introduced together with the Child Tax Credit (CTC) in April 2003, provides support on top of the earnings guaranteed by the NMW, tackling poor work incentives and persistent poverty among working people. By April 2004, there were 2.3 million low- and moderate-income working families benefiting from the new tax credits and 75,000 families benefiting from the disabled worker element of WTC, around double the number who received support through the Disabled Person's Tax Credit.

3.50 Taken together the NMW and WTC are helping to tackle the unemployment trap – when those without work find the difference between out-of-work and in-work incomes too small to provide an incentive to enter the labour market. Table 3.2 sets out increases in the minimum incomes provided by part-time and full-time work since 1999.

²⁹ *Fourth report of the Low Pay Commission*, Low Pay Commission, March 2003.

³⁰ *Low Pay Estimates*, Office for National Statistics, spring 2003.

Table 3.2: Weekly minimum income guarantees

	April 1999	October 1999	October 2004
Family with 1 child, full-time work (35 hours)	£182	£200	£252
Family with 1 child, part-time work (16 hours)	£136	£144	£195
Family with 2 children, full-time work (35 hours)	£206	£229	£294
Family with 2 children, part-time work (16 hours)	£161	£173	£237
Family with disabled worker, 1 child, full-time work (35 hours)	£213	£231	£292
Family with disabled worker, 1 child, part-time work (16 hours)	£168	£175	£235
Family with 1 disabled child, full-time work (35 hours)	£182	£200	£294
Family with 1 disabled child, part-time work (16 hours)	£136	£144	£238

Notes: assumes a single earner household; the prevailing rate of the National Minimum Wage; that the family is eligible for Family Credit/Disability Working Allowance and Working Families' Tax Credit/Disabled Person's Tax Credit and the Working Tax Credit/Child Tax Credit; and that children are aged between one and 11. All figures apply to one parent families and couples with children alike.

3.51 Recent research shows that the Government's strategy to make work pay has had a positive impact on labour market outcomes. It is estimated that the introduction of the Working Families' Tax Credit, which was succeeded by the Child and Working Tax Credits, increased the employment rate of lone parents by as much as 7 percentage points,³¹ contributing to an overall reduction in the number of workless households with children by around 95,000.³²

3.52 In October 2004, the adult and youth rates of the NMW will increase to £4.85 and £4.10 respectively. These substantial increases of over 7 per cent each are well above the expected rate of average earnings growth. The NMW's success results from an effective institutional framework: the independent Low Pay Commission monitors the effects of the NMW and makes recommendations to the Government, including on appropriate rates.

Childcare 3.53 Since 1997, the Government has increased support for childcare through a combination of supply-side support to providers in disadvantaged areas and demand-side help to parents to make childcare more affordable and support parental employment. Progress includes:

- allocating funding to support new childcare places for 2 million children by March 2006;
- a substantial increase in Government support for the childcare costs of working parents, from annual expenditure of £50 million under Family Credit in 1999 to £350 million under Working Families' Tax Credit in November 2002, which has doubled to over £700 million under the WTC in 2003-04. In April 2004 help towards childcare was reaching 318,000 families, up from 180,000 in November 2002;
- allowing parents to access financial support for good quality childcare in their own homes; and
- a tax and national insurance exemption for £50 per week on vouchers provided by an employer for approved childcare, to start in April 2005.

³¹ *Welfare reform and lone parent's employment in the UK*, P. Gregg and S. Harkness, CMPO Working Paper No 03/072, June 2003 and *The consequences of "in-work" benefit reform in Britain: new evidence from panel data*, M. Francesconi and W. Van der Klaauw, University of Essex, 2004.

³² *Did Working Families' Tax Credit work? Analysing the impact of in-work support on labour supply and programme participation*, M. Brewer, A. Duncan et al., Institute for Fiscal Studies, December 2003.

3.54 Building on the record levels of investment for childcare since 1997, the Government has announced **the new spending settlement for the Sure Start Unit, delivering £669 million extra funding by 2007-08 compared to 2004-05. This will lead to 100,000 new childcare places by 2008.** Further details of the new settlement in relation to early years education and care are set out in Chapter 5.

3.55 As part of the Government's agenda to increase the range of quality childcare that is eligible for financial support, Budget 2004 announced **a new light-touch scheme that will enable working parents to access financial support for a broader range of good quality childcare,** including home-childcarers and those caring for children over the age of seven.

3.56 A new stretching PSA target for the Sure Start Unit reflects its cross-cutting role in welfare to work:

- *as a contribution to reducing the proportion of children living in households where no one is working, by 2008: increase the stock of Ofsted-registered childcare by 10 per cent; increase the take up of formal childcare by lower income working families by 50 per cent; and introduce, by April 2005, a successful light-touch childcare approval scheme.* Joint target between the Department for Education and Skills (DfES) and DWP.

Work-life balance 3.57 To help parents choose how to balance their work and family responsibilities the Government has implemented new rights for working parents. Mothers now have a right to up to one year of maternity leave, with 26 weeks paid Ordinary Maternity Leave and a further 26 weeks unpaid Additional Maternity Leave. Statutory Maternity Pay (SMP) is £102.80 a week from April 2004, compared to £60.20 in 2000. New fathers have the right to take two weeks paternity leave, paid at the same rate as SMP. Since April 2003, mothers and fathers of children under six and of disabled children under 18 have had a right to request flexible working.

3.58 The Government is considering next steps in helping parents balance their work and family responsibilities and will continue to consult with parents and employers.

Adult skills 3.59 Skills for life was launched in 2001 and is linked to the PSA target *to improve the literacy and numeracy skills of 1.5 million adults between 2001 and 2007, with a milestone of 750,000 by 2004.* From April 2001 to July 2003, it is estimated that 1.9 million learners took up Learning and Skills Council funded basic skills learning opportunities, while more than 500,000 were awarded Skills for life qualifications. In 2002-03, 79,000 parents and carers were on family literacy, language and numeracy (FLLN) programmes to help families improve their skills and to help parents to help their children learn. New programmes are being developed and piloted for childminders, working parents, fathers, lone parents and for parents with learning difficulties or disabilities.

3.60 Building on this, in the 2002 Spending Review, a PSA target was set to: *reduce by at least 40 per cent the number of adults in the workforce who lack NVQ2 or equivalent qualifications by 2010. Working towards this, one million adults already in the workforce to achieve level 2 between 2003 and 2006.* In July 2003 the Government launched its national skills strategy, '21st Century Skills'. The skills strategy White Paper set out the Government's programme to tackle the skills gap between the UK and its main economic competitors. This includes demand-led provision of skills, recognised by reformed qualifications, steered by the needs of employers through the new Skills for Business network, and given a regional focus through new Regional Skills Partnerships.³³

³³ *21st Century Skills: Realising our Potential*, Department for Education and Skills, July 2003.

3.61 The strategy includes measures to remove barriers to learning and to support participation, and re-focuses public investment where it is most needed, namely a universal entitlement to NVQ2 qualification and in specific shortage areas above Level 2. The skills strategy also looks beyond the economic benefits of improved adult skills to encompass social benefits, particularly through Skills for Life, which includes FLLN programmes.

Financial support for families with children

3.62 Since 1997 the Government has radically reformed the system of financial support for families to deliver real progress on its targets for tackling child poverty, based on the principle of progressive universalism. Support is provided through a combination of:

- Child Benefit – available to all families with children, and which for the first child has increased by 25 per cent in real terms since 1997; and
- Child Tax Credit (CTC) – around nine out of ten families with children are eligible for some support through CTC, with greater support targeted on low-income families.

3.63 Introduced together with the WTC in 2003, the CTC represents the biggest single change in the way the Government provides financial support for families since the Beveridge reforms in the 1940s. CTC delivers a single, seamless system of income-related support for families with children, integrating the various child elements previously provided through the Working Families’ Tax Credit, Disabled Person’s Tax Credit, Income Support, Jobseeker’s Allowance, and the Children’s Tax Credit.

3.64 The table below shows the levels of support that CTC and Child Benefit currently provide for families.

Table 3.3: Levels of support for families from April 2004

Family income (£ a year) <i>Per cent of families</i>	less than £13,480 <i>30</i>	less than £50,000 <i>85</i>	all families <i>100</i>
1 child	£3,030	£1,405	£855
2 children	£5,235	£1,980	£1,430
3 children	£7,435	£2,550	£2,005

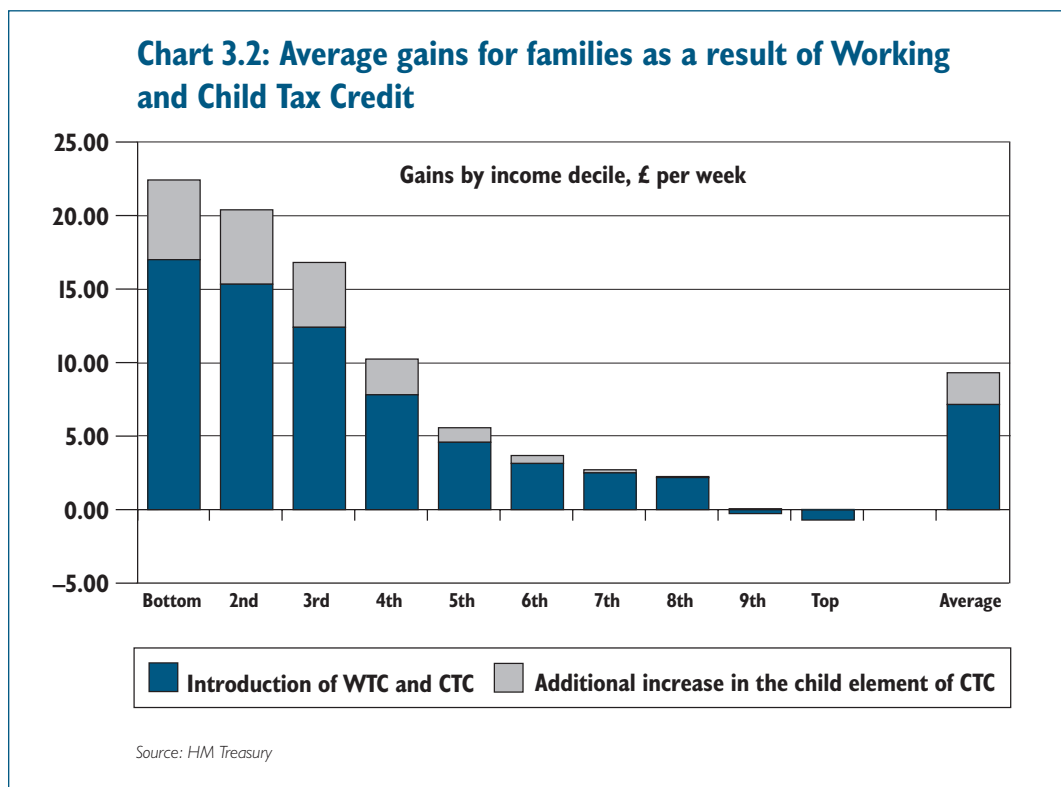
3.65 This new system of support is already having a major impact on child poverty:

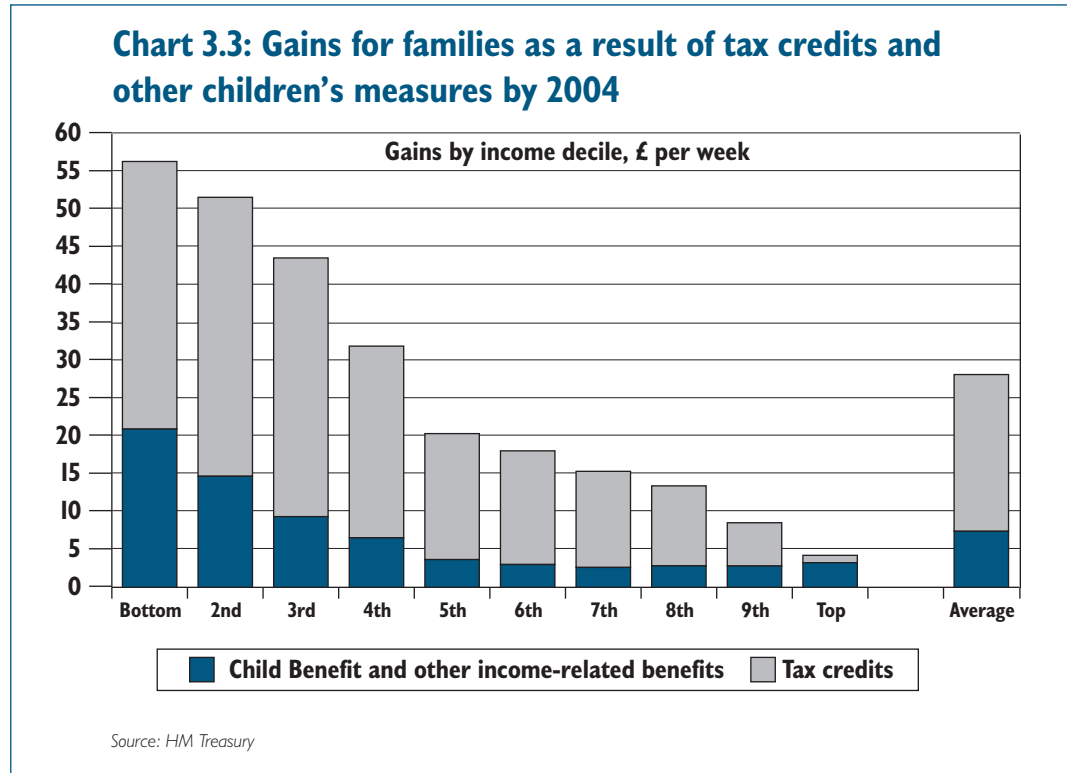
- by 2004-05, financial support for children through tax credits, Child Benefit and other benefits will have increased by £10.4 billion in real terms from its 1997 level, a rise of 72 per cent. The poorest 20 per cent of families have received over 40 per cent of the additional provision;
- the tax credits are benefiting 10.4 million children in six million families, including those receiving improved support through the child allowances in Income Support and Jobseeker’s Allowance;
- CTC is reaching 2.3 million low- and moderate-income families with children, 65 per cent more than the old tax credit systems; and

- support for children under the age of 11 in low-income families has roughly doubled since 1997. For a workless family with one child under 11, the maximum amount of support for children will have risen from £27.70 per week in 1997 to £58.22 a week from April 2004 – a real terms increase of 85 per cent.

3.66 Chart 3.2 shows the average gains for families as a result of the introduction of the CTC and WTC and identifies the additional increase in the CTC as announced in the 2003 Pre-Budget Report. Chart 3.3 shows the impact by income decile of the Government's reforms to the tax and benefit system since 1997, on families with children. As a result of the Government's tax and benefit reforms since 1997, by October 2004, in real terms:

- families with children will be, on average, £1,350 per year better off, while those in the poorest fifth of the population will be, on average, £3,000 per year better off;
- a single-earner family on half average earnings with two young children will be £3,790 a year better off; and
- a single-earner family on average earnings with two young children will be £285 a year better off.





3.67 The Government is committed to increasing the child element of the CTC at least in line with earnings until the end of this Parliament. Rates for future years will be based on careful monitoring of the effects of current policies on both employment and child poverty, recognising that work is the best long-term route out of poverty for most families. Future rates will be announced at the time of the Pre-Budget Report, to take effect in the following financial year.

3.68 The CTC has proved a success, both in terms of reaching more families than any other income related support for families and in providing an effective tool for achieving the children in low-income households PSA target for 2004-05. In order to meet its longer-term child poverty goals, the Government is considering structural refinements to the CTC. As the number of children in low-income households declines, the Government will pay particular attention to those population groups that continue to experience a relatively high risk, and consider ways in which the tax and benefit system can respond to their needs, balancing this against the need to maintain a simple and transparent system.

Large families 3.69 Last year *Opportunity for all* set out the evidence that children in large families (defined as families with three or more dependent children) suffer disproportionate risk of poverty. Half of all poor children live in large families. *Opportunity for all* described the interaction between family size, personal characteristics, low income, work status and child outcomes. Despite improvements since 1997, large families experience increased prevalence of worklessness and low income. This is partly explained by factors such as ethnicity, having a child under school age, childcare barriers and longer spells of worklessness. The association of large families with these factors suggests that they could benefit from wider strategies to improve work incentives, childcare and tackle ethnic minority labour market disadvantage.

3.70 Large families have benefited from the increased generosity of financial support for children since 1997. Over time, the risk of low income in large families has been converging with the risk in small families. In addition, recent reductions in the proportions of children in low-income households up to 2002-03 have been concentrated in large families. The increase in the child element of CTC by £3.50 a week from April 2004 is disproportionately benefiting large families. This is because eligible families will receive the increase for each and every dependent child in their family.

3.71 The child elements of CTC are structured to deliver the same level of support to each child in the family, according to household income. The family element of CTC is available to nine out of ten families with children in recognition of the costs of children, but does not respond to family size. By contrast, Child Benefit pays more for the first than subsequent children. In a comparison of 22 countries the UK and Ireland were the only countries that pay more for the first child.³⁴ Most countries in the study pay the same, or virtually the same amount for each child, with seven countries paying more for the third and subsequent children.³⁵

3.72 Building on the reforms to date, **the Government has a long-term aspiration to improve the financial support available to large families and will consider the best mechanism for achieving this.**

Take-up of benefits by ethnicity

3.73 During the child poverty review's seminar on ethnicity, concern was raised that ethnic minority families may not be claiming the benefits and tax credits to which they are entitled. **The DWP and Inland Revenue will review data on take up of income-related benefits and tax credits to assess whether there are systematic differences by ethnic group.** In the light of this evidence, the Government will consider whether further targeted initiatives are required to ensure families are receiving the financial support they are entitled to.

Additional support for disabled children

3.74 Since 1997 the Government has introduced financial support via tax credits for all low-income families with a disabled child. CTC provides a supplement of up to £42.49 a week for each disabled child, and a further £17.08 a week for each severely disabled child, subject to household income but not dependent on the employment status of the parents. This represents an increase of 70 per cent in real terms on the equivalent support offered in 1997, which at that point was only available to parents who were out of work or working less than 16 hours a week, or to parents who had a disability themselves.

3.75 In April 2004, 103,000 families were benefiting from the additional support provided by CTC for disabled children, which is more than three times the number of families who benefited from the disabled child credits in the previous systems.

3.76 Entitlement to the disabled child elements of CTC is passported off Disability Living Allowance (DLA). Over 256,000 severely disabled children under the age of 16 currently receive DLA. In the five years to February 2004 the number of children receiving DLA increased by 30 per cent and by almost 5 per cent in the 12 months to February 2004.

³⁴ *A comparison of Child Benefit packages in 22 countries*, J. Bradshaw and N. Finch, Department for Work and Pensions, Research Report 174, February 2002.

³⁵ Belgium, France, Germany, Israel, Italy, New Zealand and Portugal.

3.77 The Government has supported a wide range of targeted activities to raise awareness of DLA and enhance take-up. For example, in 2003-04 a session to raise awareness of DLA and other benefits was held at Brislington School in Bristol, a talk about DLA was given to parents of children with autism at the Wirral Autistic Society and information about child claims for DLA was provided through the Diabetes Association at Wishaw General Hospital. These activities and others were undertaken by the Disability and Carers Service working with local authorities and other organisations.

3.78 The DWP is working towards improving the claim process for disability benefits and developing a new DLA form appropriate for those looking after disabled children. It will be much shorter and responsive to customer needs. A more personal and responsive service will remove barriers and encourage people to claim. The DWP have already commenced consultation with groups representing disabled children and will be testing the new forms in 2005.

Child Support 3.79 The Government has also reformed the child maintenance system. The new child support scheme, introduced for new cases in March 2003, puts children at the centre of child support and will get money to more children more quickly. The Government aims to double the number of parents with care on Income Support who receive maintenance to 60 per cent by March 2006. This will mean an extra £150 million a year will go to support 600,000 children through the child maintenance premium. Overall, the Government expects more than a million children to receive more maintenance as a result of these reforms.

3.80 Once fully rolled out, the new child support scheme will offer simpler calculation and faster payment of child maintenance for all parents with care. **The Government aims to further increase the number of parents with care on Income Support who receive maintenance to 65 per cent by March 2008.**

4

TACKLING MATERIAL DEPRIVATION

Material deprivation – a direct indicator of living standards – forms part of the Government’s new long-term measure of child poverty. Helping parents into work, overcoming barriers to employment, making work pay and providing financial support to families will help reduce material deprivation. But tackling homelessness, improving housing decency and improving financial inclusion are also crucial.

To improve the availability of good quality, decent housing, the Government will therefore:

- **provide resources for a significant increase in new social housing to contribute to a significant reduction in the number of families with children who would otherwise have been homeless;**
- **continue to deliver more decent homes in the social sector in order to ensure that all social housing is decent by 2010; and**
- **ensure that 70 per cent of households in the private sector (one third of which are families with children) are living in a decent home by 2010, with a new Public Service Agreement (PSA) target that highlights the needs of children in this group.**

Financial exclusion and over-indebtedness reduce household income available to spend on children and increase material deprivation for low-income families. The Government intends to:

- **abolish the ‘double debt’ rule and lower the repayment rate for Social Fund Budgeting Loans; and**
- **work in partnership with the private and voluntary sectors to develop models which make more affordable loans available to those on low incomes.**

INTRODUCTION

4.1 Households are generally understood to be materially deprived if they cannot afford and therefore go without necessities that other households might take for granted. A measure of income does not always reflect living standards for a range of reasons including incorrect reporting of incomes in surveys, time lags between changes in incomes and living standards, and non-monetary factors such as priorities for access to social housing. This is why the Government’s new long-term measure of child poverty includes material deprivation combined with a measure of low-income. Taken together these indicators provide an indication of living standards, thus highlighting the practical effects of living on a low income.

4.2 The previous chapter outlined a number of policies that will impact on families’ living standards: helping parents into work, tackling barriers to employment, making work pay, and providing financial support to families with more for those who need it most, when they need it most. But the inclusion of an indicator of material deprivation in the long-term measure of child poverty highlights the potential impact on poor children of two other policy areas, housing and financial inclusion, both considered in this chapter.

HOUSING AND HOMELESSNESS

Relevance to tackling child poverty

4.3 There is a strong link between poverty and homelessness or poor quality of housing. Poor families are more likely to be homeless or live in poor quality accommodation. New questions on whether families can keep their homes in a decent state of repair and keep their home adequately warm are now included in the survey that will be used to derive the material deprivation tier of the new child poverty measure (explained in Chapter 2).

4.4 In addition, housing availability and housing conditions are important for children's outcomes, both in terms of quality of childhood and long-term development and life chances. Non-decent homes lead to worse health for inhabitants. The stress and bad health caused by poor housing affects learning and behaviour, with lower educational attainment more likely, contributing to cycles of deprivation.¹ Research has identified links between overcrowding and poor physical health: however, there are difficulties in separating out health impacts of overcrowding from compounding factors such as poor housing conditions and financial deprivation.²

Temporary accommodation

4.5 Children living in bed and breakfast hotels as a form of temporary accommodation are twice as likely to be admitted to hospital,³ and 29 per cent of homeless children demonstrate mental health problems, rising to 39 per cent after a year in temporary accommodation, compared to 11 per cent of all children.⁴

4.6 The placement of children in temporary accommodation can be particularly disruptive to children's education. A study in Birmingham found that only 29 per cent of homeless children were attending mainstream school. Around 73 per cent had been attending before they became homeless.⁵ Loss of networks of family and friends and reduced access to services will have further impacts on children's well-being, increasing isolation of both the parent and child, and reducing play and interaction opportunities. Box 4.1 sets out the experiences of two mothers in temporary accommodation.

Box 4.1: Living in temporary accommodation

At the child poverty review's housing, homelessness and public space seminar, two families listed the problems with some of the worst types of temporary accommodation. These include:

- **deteriorating health, for instance from asthma;**
- **unsuitability of other tenants, including drug abusers;**
- **sharing a bed with family members resulting in sleep deprivation;**
- **hazards to children such as rat poison and malfunctioning electricity sockets;**
- **sharing washing facilities with forty others;**
- **sharing cooking facilities away from the main accommodation, creating difficulties supervising children;**
- **washing clothing by hand every day;**
- **nowhere decent for the children to play and anxiety about letting children play with older children in the corridor;**
- **living with a high level of fear at the menace presented by other tenants;**
- **frequent fire alarms, to which no one responded and a threat of a £300 fine for improper use;**
- **inability to hold a family meal; and**
- **general lack of information or choice.**

¹ *No place to Learn: homelessness and education*, S. Power, G. Whitty and D. Youdall. London Shelter, 1996.

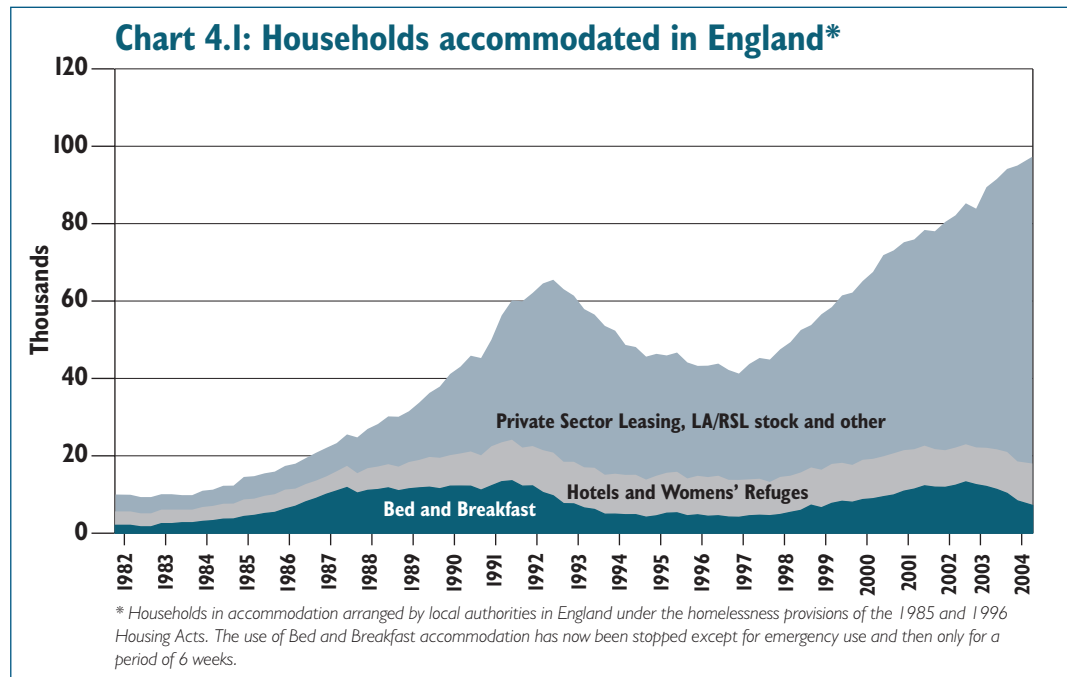
² *The Impact of Overcrowding on Health and Education: A review of the Evidence and Literature*, ODPM, May 2004.

³ *Measuring Child Poverty: Shelter's response*.

⁴ *Housing and Health: building for the future*, British Medical Association, 2003.

⁵ *Homeless children: Problems and Needs*, P. Vostanis, et al., 1999.

4.7 As Chart 4.1 illustrates, the number of households placed in temporary accommodation under the homelessness legislation in England has grown from 11,600 twenty years ago to 97,290 at the end of March 2004. Around 60 per cent of these households include dependent children or a pregnant woman. About 42 per cent of households leaving temporary accommodation across England had spent more than six months waiting for a settled housing solution. Significantly higher concentrations of families in temporary accommodation and longer waiting times exist in areas of higher housing demand.⁶



Housing decency 4.8 Poor families are more likely to live in poorer quality accommodation, with nearly 400,000 vulnerable families with children living in non-decent homes in the private sector and a similar number (380,000) in the social sector.⁷ A decent home meets the current minimum standards for housing if it is in a reasonable state of repair, provides a reasonable degree of thermal comfort and has reasonably modern facilities.

4.9 Seven million dwellings do not constitute decent homes: the most common cause is lack of thermal efficiency.⁸ Non-decent homes lead to worse health for inhabitants, including diminished resistance to respiratory infection, hypothermia and asthma.⁹ Overcrowding is also more prevalent in low-income households, especially for ethnic minority groups. Nine per cent of children (around one million) under age 16 currently live in overcrowded conditions.¹⁰

Housing supply 4.10 Kate Barker's Review of Housing Supply¹¹ outlines the extent to which supply for housing fails to meet demand, impacting on affordability of housing in the private sector and contributing to unmet demand for social housing resulting in rising numbers in temporary accommodation. Housing is not only an issue in high demand areas. In areas of low housing demand, if an area becomes unattractive and housing no longer meets the needs and aspirations of residents, the area can slip into a cycle of decline and abandonment. Those who can afford to move away leaving those who remain, particularly families with children, with little choice, suffering the consequent problems of increased concentrations of deprivation and social exclusion.

⁶ PIE quarterly homelessness data, ODPM 1984 and 2004.

⁷ English House Condition Survey, ODPM, 2001.

⁸ English House Condition Survey, ODPM, 2001.

⁹ Housing and Health: building for the future, British Medical Association, 2003.

¹⁰ Survey of English Housing Provisional Results, 2002-03.

¹¹ Review of Housing Supply: Securing our Future Housing Needs, Kate Barker, 2004.

4.11 Children's outcomes are not only affected by shortages of housing, low demand and abandonment and the decency of homes, but also the local environment surrounding the house, the mix of tenures in the community and the public services available to the community.

The Government's aim

4.12 The Government's aim is to give everyone the opportunity of a decent home, and so promote social cohesion, well-being and self-dependence. The Government has also committed to a better balance of housing demand and supply by delivering sustainable communities. The Government is also committed to tackling the serious and growing problem of homelessness. *More than a roof* set out new approaches underpinning this aim.¹² In addition to ensuring the opportunity of a decent home for all, these included: strengthening the help available to people who are homeless; developing more strategic approaches and new responses to prevent homelessness; and tackling the most extreme problems associated with rough sleeping.

Progress and next steps

4.13 In 1997 the Government inherited a £19 billion backlog of repairs to social housing and low levels of new housing development. Forty years ago around 400,000 homes a year were built in the UK by the mid 1990s it had fallen to just 200,000. The Government has put in place policies and resources to turn this situation around, most recently through the 2002 Spending Review that ensured that housing capital investment by 2005-06 will have trebled compared to 1997. Further to this, the 2004 Spending Review announces a range of new measures that will contribute to tackling homelessness and to improving housing for poor families.

4.14 Kate Barker's review set recommendations to redress unresponsiveness of housing supply to demand. In response the Government committed to implement a programme of reform to increase supply and improve affordability in Budget 2004, including increased investment for social housing.

Homelessness 4.15 An increase in the supply of affordable houses and housing for vulnerable groups is fundamental to tackling homelessness and reducing the number of families with children in temporary accommodation. The 2004 Spending Review therefore provides **resources for a significant increase in new social housing funded by an increase in direct investment**, an expanded PFI programme and significant efficiencies, to address the growth in homelessness.

4.16 Tackling the causes of homelessness more effectively is also fundamental to reducing the number of families with children who lose their homes and have to be placed in temporary accommodation, so reducing the growth in numbers of homeless families with children.

4.17 Over the two years to March 2004 working with local authorities and other agencies to end the use of Bed and Breakfast hotels for homeless families with children, except in emergencies and for no longer than six weeks, has led to the first sustained reduction in total B&B use for more than a decade. The Homelessness Act 2002 introduced a new requirement for all local authorities to have a strategy in place in 2003 for preventing homelessness and ensuring that accommodation and support are available for anyone who is homeless or at risk of becoming homeless. In addition, in July 2002 the groups given priority need for accommodation under homelessness legislation were extended to include young people aged 16-17 in addition to existing groups such as families with children or a pregnant woman.

¹² *More than a roof – A report into tackling homelessness*, ODPM, March 2002.

4.18 Looking ahead, the Office of the Deputy Prime Minister (ODPM) will: **increase investment in prevention measures piloted between 2002-03 and 2004-05, including support services to help families sustain tenancies and other forms of settled residence; mediation services to prevent family breakdown; security measures to enable victims of domestic violence to stay in their own homes (where it is safe to do so); and rent deposit and other schemes to promote a greater use of the private sector.** Chapter 5 covers domestic violence in more detail.

4.19 The Government will also deliver 200,000 additional homes identified by the Communities Plan in the Thames Gateway and other growth areas, and respond to new proposals for growth, increasing responsiveness of housing supply. As recommended by Kate Barker, this will be assisted by a new Community Transport Infrastructure Fund.

Reducing harm caused by homelessness

4.20 In April 2004 ODPM and the Department of Health produced joint advice for local authorities, Primary Care Trusts and other partners on Achieving Positive Shared Outcomes in Health and Homelessness. The advice includes good practice examples which these agencies are being encouraged to adopt in order to improve the health of homeless people and reduce the incidence of homelessness caused by poor health. In reflection of the link between homelessness, inadequate accommodation and poor health outcomes, and to support an overview of progress on the Department of Health PSA Health Inequalities (2010) target, an indicator on the number of homeless families with children living in temporary accommodation sits alongside the national target.

4.21 ODPM will continue to work with local authorities and other agencies to identify and reduce the negative effects that homelessness and life in temporary accommodation can have on children. In particular, it will continue to encourage local authorities to reduce inappropriate practices as far as possible, such as frequent moves between different temporary accommodation, or placement of families away from relatives, friends, schools or other support networks and to improve service delivery and co-operation between relevant statutory and voluntary sector agencies.

Housing decency

4.22 Since 1997 there has been a reduction of one million in non-decent homes. The Government has a commitment that by 2010, all social housing is brought into a decent condition with most of this improvement taking place in deprived areas. In addition, since 1997 around 120,000 households in the private sector have been helped in making their homes decent as part of a commitment to increase the proportion of private sector tenants who live in homes that are in a decent condition, particularly for vulnerable households.

4.23 The Government recognises that more needs to be done to improve the quality of life and future life chances of the approximately 780,000 households with children living in non-decent housing across social and private sectors. The Government will continue to provide resources to ensure that all social housing is decent by 2010. In addition, the Government will continue to make progress on delivering more decent homes in the private sector to ensure that 70 per cent of households in the private sector are living in a decent home by 2010. This will include assisting around 11,000 vulnerable households to make homes decent each year through private sector renewal work. ODPM has updated their decent homes PSA target to highlight the needs of families with children within this group:

- *by 2010, bring all social housing into a decent condition with most of this improvement taking place in deprived areas, and for vulnerable households in the private sector, including families with children, increase the proportion who live in homes that are in a decent condition.*

4.24 The Housing Bill, currently before Parliament, contains measures aimed at helping those most at risk from irresponsible landlords and poor conditions, including vulnerable families with children. The Bill contains provisions for a new Housing Health and Safety Rating System to replace the current housing fitness standard (one of the criteria for a decent home). This will help local authorities to tackle the worst properties, and to assess health risks to the most vulnerable potential occupants, such as young children.

4.25 Measures in the Bill will also improve controls on houses in multiple occupation, which house many of the most vulnerable households, using a mandatory national licensing scheme to tackle inadequate basic facilities and management problems. Local authorities will also be able to license other private landlords in areas where there is a particular problem.

4.26 The Government recognises that current statutory overcrowding standards, which date back to 1935, are outdated. Many households currently living in overcrowded conditions will not be identified as such under these standards. A new measure has been added to the Housing Bill that will enable the overcrowding standard to be amended through secondary legislation at a future date. ODPM will be consulting this year on potential changes to the standard.

Fuel poverty **4.27** The number of vulnerable, fuel poor households has been reduced from 3 million in 1996 to 1.2 million by 2002, as progress has been made on the Department for Environment, Food and Rural Affairs (DEFRA) target to take all fuel vulnerable families out of fuel poverty by 2010 through grants for homes not reaching thermal efficiency standards.

4.28 In order to ensure further progress towards the Government's fuel poverty strategy objective, **this Spending Review will provide £95 million per year by 2007-08 in new capital grants for the Warm Front programme**, overseen by DEFRA, to improve the energy efficiency of homes.

Housing Benefit **4.29** Housing Benefit reform has already commenced, streamlining administration and introducing pilots of new flat rate local housing allowance for tenants in the private sector; alongside rent-restructuring and increased choice-based letting. In addition the first £11.90 of earnings for all tenants entitled to the Working Tax Credit is now disregarded as part of a series of measures to improve the interface between Housing Benefit and other benefits and tax credits.

Vulnerable people **4.30** The Supporting People programme provides housing related support services to over 1.2 million vulnerable people, including homeless families with support needs, teenage parents, those at risk of domestic violence and vulnerable young people. This support enables people and families to live more independently than they would otherwise be able to do – for example by easing the transition out of hospital or prison or helping prevent homelessness, rough sleeping or a return to an institutionalised environment.

4.31 Certain groups of families with children are particularly vulnerable to adverse outcomes, including families with disabled children and adults, certain ethnic minority groups, and gypsies and travellers. The Government will be looking to improve prospects for gypsies and travellers over the 2004 Spending Review. The Disabled Facilities Grant is a means tested grant which provides resources for families with disabled children to carry out adaptations to their homes. The Government provides around 30,000 Disabled Facilities Grants each year, with average provision around £6,000.

Low demand **4.32** The Government is addressing low demand for housing and abandonment through nine housing market renewal pathfinder schemes with investment of £500 million over three years to 2005-06 to regenerate these areas and turn around the cycle of decline. **The 2004 Spending Review provides for an increase in investment, enabling an expanded programme for the North and Midlands.**

FINANCIAL INCLUSION

Relevance to tackling child poverty

4.33 Regardless of how well low-income families manage their finances, their efforts can be thwarted by a lack of access to affordable credit and debt advice, and exclusion from mainstream financial services leading to over-indebtedness. In 2002, 57 per cent of over-indebted households had annual incomes of less than £7,500, and families with children are disproportionately affected.¹³ One study found that two thirds of children in severe poverty had parents who had experienced debt in the past year.¹⁴

4.34 Low-income households are constrained in the sources of credit they can access, frequently having to turn to high-cost alternatives such as weekly home-collected credit.¹⁵ Approximately 3 million people per year use these lenders, who may, for example, charge an Annual Percentage Rate (APR) of 177 per cent for a loan of £300 repayable over 55 weeks.¹⁶

4.35 Debt and financial exclusion have several direct impacts upon families' lives, for example:

- the cost of making repayments can reduce the amount of household income available for other needs. Children in over-indebted households may miss out on necessities as parents' income is diverted into debt repayments;¹⁷
- debt can play a part in relationship breakdowns, leading to instability and greater risk of child poverty;¹⁸
- parents can end up paying more for certain services, such as utilities, due to lack of access to a bank account;¹⁹
- for working families, the accumulation of debts may cause parents to leave the labour market due to ill health and stress;²⁰ and
- for workless households, debts may act as a barrier to returning to work for fear of triggering (higher) repayments.²¹

The Government's aim

4.36 The Government is committed to tackling the problems of financial exclusion and Budget 2004 set out three key remaining challenges. The Government will work in partnership with the financial services sector and with voluntary and community bodies to achieve:

¹³ *Over-indebtedness in Britain: a report to the Department of Trade and Industry*, E. Kempson, Personal Finance Research Centre, September 2002. Over-indebted households are defined as those whose repayments amount to more than 25 per cent of their income.

¹⁴ *Britain's Poorest Children: severe and persistent poverty and social exclusion*, L. Adelman, S. Middleton and K. Ashworth, Save the Children, September 2003.

¹⁵ *In or Out? Financial Exclusion: a literature and research review*, Financial Services Authority, July 2000.

¹⁶ Given as a typical example of weekly payments for a cash loan from Provident Financial, one of the UK's leading home collected credit companies. <http://www.providentpersonalcredit.co.uk/fulldetails>.

¹⁷ *Small Fortunes: spending on children, childhood poverty and parental sacrifice*, S. Middleton, K. Ashworth and I. Braithwaite, Joseph Rowntree Foundation, July 1997.

¹⁸ Relate, the relationship counselling service, has cited money worries as the prime cause of relationship breakdown in over 70 per cent of cases http://www.rafc.com.co.uk/financial/money_page06.cfm.

¹⁹ For example, consumers using pre-payment meters can pay up to £182 more a year for their gas than direct debit customers with the same supplier. *Life Lines: The NCC's agenda for affordable energy, water and telephone services*, National Consumer Council, September 2003.

²⁰ *In too deep: CAB clients' experience of debt*, S. Edwards, Citizen's Advice, May 2003.

²¹ *Action on Debt: Why it matters and what you can do*, Social Exclusion Unit, March 2004.

- dramatic reductions in the 3 million households without a current account and the 1.5 million households without an account of any kind;
- a significant increase in the availability of affordable credit for those on the lowest incomes; and
- a step change in the availability of free debt advice for those who need it.

The Government is committed to strengthening the saving habit of future generations and ensuring that all children have a stake in the wealth of the nation.

Progress and next steps

4.37 In 1999, the Government published the Policy Action Team report *Access to Financial Services*.²² This report recommended a series of measures to tackle financial exclusion. Since then, the Government has implemented deregulatory measures to allow credit unions to grow and develop, to expand their range of services and make them more attractive to depositors. It has increased protection and confidence of credit union members through Financial Services Authority (FSA) regulation.²³

Basic bank accounts 4.38 In 1999, the Government challenged banks to introduce basic bank accounts, and to make them widely available and accessible. All the major high street banks now offer a basic bank account and there are now over 5 million basic bank accounts. From April 2003, the Government has also been paying benefits and tax credits direct to bank accounts, Post Office Card Accounts (POCAs) and basic bank accounts available through the Post Office.

Financial education 4.39 The Financial Services and Markets Act 2000 gave the FSA an ongoing statutory objective to promote public understanding of the financial system. The FSA has produced a range of consumer material and the DfES has published financial education guidance for schools. The FSA is now developing a national strategy for financial capability involving Government, industry and the voluntary sector. The capability strategy will focus on financial education, information and advice needs, and better co-ordination of how these needs should be met.

Child Trust Fund 4.40 Budget 2003 announced the introduction of the Child Trust Fund (CTF), a universal investment and savings account for children born from September 2002. The CTF will provide an endowment for every child at birth and at age seven, with those from poorest families receiving the largest amounts. It will be underpinned by increased financial information and education for parents and children. Further progress has been made on the introduction of the CTF. In May 2004 the Child Trust Fund Act received Royal Assent and the final regulations were laid, setting out the detail of how the CTF scheme will work. Accounts are expected to be available in April 2005. The CTF will be evaluated against its policy objectives, and a detailed evaluation plan is in the process of being developed.

Debt advice 4.41 The Government has taken action to raise awareness of the issues of debt and provide support for disadvantaged groups experiencing debt problems. Budget 2003 announced the introduction of a flexible fund for Jobcentre Plus managers to improve access to debt advisory services in areas where provision is limited. This fund has been available since April 2004. The DWP has produced a leaflet which signposts its customers towards relevant sources of debt advice, and is now available in Jobcentre Plus offices. In addition, in March 2004, the Social Exclusion Unit published a debt advice fact pack for use by organisations that experience the impact of debt.²⁴

²² *Access to Financial Services: Report of Policy Action Team 14*, HM Treasury, November 1999.

²³ This was achieved through the Regulatory Reform (Credit Unions) Order 2003 (SI2003/256), which came into force in February 2003.

²⁴ *Action on Debt: Why it matters and what you can do*, Social Exclusion Unit, March 2004.

4.42 The Department for Constitutional Affairs (DCA), with the DTI and the DWP, will work to assess how debt advice can be provided most effectively and assess the value of targeted advice in preventing future hardship, with a view to establishing pilots working within the local community to provide face-to-face outreach services to those who are most excluded from current sources of help. In addition, DTI will extend existing provision of telephone debt advice.

Social Fund 4.43 The Social Fund provides a safety net of grants and interest free loans for the most vulnerable in times of crisis. The Government has introduced several changes to the Social Fund since 1997, including a simpler and more transparent Budgeting Loans applications process. The Government announced in the 2002 Pre-Budget Report that £90 million would be added to the Discretionary Social Fund over the three years to 2005-06.

4.44 The Social Fund is successfully targeting those families who are most in need. Recent research found that Social Fund customers were more likely to be lone parents, younger people and tenants, and more likely to have a young child, a longstanding illness, health problem or disability, as well as caring responsibilities. They were also more likely than others to have debts and less likely to have a bank account.²⁵

4.45 As the next step in the reform of the Social Fund, **the Government intends to abolish the 'double debt' rule in the Budgeting Loans scheme**, and lower the repayment rate to a maximum of 12 per cent of a claimant's benefits. Abolishing the double debt rule will give greater consistency and transparency in access to Budgeting Loans. Together these measures will enable the Social Fund to play a more effective role in helping those families most vulnerable to over-indebtedness. Further details will be announced in the 2004 Pre-Budget Report.

4.46 The Government will continue to take steps to ensure that the Social Fund operates efficiently to provide the most appropriate support to the most vulnerable. Jobcentre Plus has issued guidance to both benefit and Social Fund staff to remind them of the roles of Social Fund loans and other income-related payments, such as Interim Payments, and their appropriateness to the different circumstances of claimants. Jobcentre Plus will keep this under review and consider further action where appropriate.

Affordable credit 4.47 The Consumer Credit White Paper, published in December 2003, included proposals for reform of the consumer credit market, to create a more transparent regime so consumers can make informed decisions and get a fairer deal. There were also proposals for a more modern legislative framework that encourages and rewards competition, innovation, choice and enterprise, while stamping out irresponsible and unfair lending practices.

4.48 The White Paper also outlined a strategy for tackling over-indebtedness, to minimise the number of consumers who become over-indebted and to improve the support and processes for those who have fallen into debt. A cross departmental Ministerial group has been established to oversee the development, co-ordination and implementation of a programme of action to tackle over-indebtedness.

4.49 The Government wants to explore mechanisms that allow profitable loans to be made available to those on low incomes at a much lower rate of interest. **The Government therefore intends to work in partnership with the private and voluntary sectors to develop models which make more affordable loans available.** Any pilots will be evaluated to ensure that the loans enhance people's ability to manage their finances responsibly.

²⁵ *The Use of the Social Fund by Families with Children*, N. Finch and P. Kemp, University of York, July 2004.

5

IMPROVING LIFE CHANCES FOR POOR CHILDREN

Public services are critical in improving poor children's life chances and breaking cycles of deprivation. The review has considered: early years services; education and parenting support; health services; transport; protecting children from crime and the risks they may face in their own homes; and preventing child crime and anti-social behaviour. Key measures include:

- additional investment in childcare places and services for disadvantaged children of £669 million by 2007-08 compared to 2004-05;
- 1,700 Children's Centres, one in each of the 20 per cent most disadvantaged wards in England by 2007-08;
- new, more challenging PSA floor targets to drive up standards in schools located in deprived areas with monitoring of the bottom 10 to 20 per cent of educational under-achievers and separate monitoring of the most vulnerable groups;
- a review to assess whether schools in deprived areas are treated equitably and whether they are putting resources to the best possible use;
- expanded parenting support with targeted help accessible at key transition points in children's lives;
- extended coverage of Child and Adolescent Mental Health Services (CAMHS) to all 16 and 17 year olds and continued progress on the CAMHS PSA target;
- enhancement of the evidence base on whether children from lower socio-economic groups have access to the healthcare services they need;
- further work on tackling public health issues that disproportionately affect children from lower socio-economic groups, including a new PSA target on childhood obesity;
- further work on accessibility planning, incorporating this into local authorities' next Local Transport Plans due in July 2005;
- implementing the conclusions of the bus subsidy review, as part of which the Department for Transport will continue to work on the system for administering concessionary fares to ensure maximum benefits for those who need them;
- the expansion of early intervention programmes for young offenders including Youth Inclusion Projects, Youth Inclusion and Support Panels and Intensive Supervision and Surveillance Panels;
- sentence reform through a new National Offender Management System so that, through better use of community sentences and fines, fewer children of offenders are separated from their parents; and
- pilots of Women's Community Centres as a radical new approach to identifying the best way to reconnect women offenders with support services and integrate them back into the community upon release.

INTRODUCTION

5.1 This chapter highlights the important contribution of public services to tackling child poverty. Improving life chances for poor children and thus breaking cycles of deprivation is essential to reducing child poverty in a sustainable way. By their nature, many of the policies mentioned here will take some time to impact fully on the lives of poor children so it is important that progress is made early.

5.2 Getting children off to a good start early in life provides a platform for later educational achievement which in turn affects their adult working lives. Helping parents to provide their children with the best support as they develop is crucial to helping them achieve and enjoy life. Supporting poor children to attain good physical and mental health and adopt healthy lifestyles is important both for their short-term well-being and future life chances. Public transport, by providing access to labour markets, services, social networks and other facilities, has widespread influence on poor families' ability to participate in everyday life and obtain the support they need. In addition, ensuring poor children are protected from crime and prevented from perpetrating crime and engaging in anti-social behaviour are crucial to breaking cycles of disadvantage; as is protecting children from the risks they may face in their own homes.

5.3 The following themes are considered in this chapter: early years services, education, parenting support, health services, transport, services to prevent child crime and anti-social behaviour and services to support families experiencing parental offending, domestic violence and parental substance misuse. The chapter includes consideration of specific groups who may need additional support in order to enjoy equal opportunities such as children from certain ethnic minorities, disabled children and children with disabled parents. Both universal services and targeted services aimed at deprived areas are covered.

EARLY YEARS

Relevance to tackling child poverty

Child development

5.4 From very early in life poor children's development can fall behind that of other children. The differences between advantaged and disadvantaged children's social and cognitive development are evident as early as 22 months. Children with parents in Social Classes I and II were on average 14 percentage points higher up the educational development distribution than children with parents in Social Classes IV and V.¹ At entry to primary school, children in families of unskilled workers were around seven months behind children of professional workers in their pre-reading skills.²

5.5 Good quality, holistic early years services that work together with parents can alleviate the immediate effects of child poverty by providing interaction with other families, access to toys and books and a safe place to play. Early years services can improve longer-term educational and health outcomes, especially for poor children, helping them start their school education on a more equal footing. UK evidence demonstrates that good quality pre-school experience promotes better social and cognitive development.³

Supporting parents and communities

5.6 For parents, knowing that their children are being well cared for can provide the opportunity to seek education, training or employment. In addition, early years services that actively engage with parents can support them in providing a home environment that promotes child development.

¹ *Pre-school educational inequality: British children in the 1970 cohort*, L. Feinstein, Centre for Economic Performance Discussion Paper 404, 1988.

² *Effective Provision of Preschool Education Technical Paper 8a: Measuring the Impact of Pre-School on children's Cognitive Progress over the Pre-School period*, P. Sammons, K. Sylva, E.C. Melhuish, and S. Blatchford, Institute for Education and Department for Education and Skills, 2002.

³ *Effective Provision of Preschool Education Technical Paper 8a: Measuring the Impact of Pre-School on children's Cognitive Progress over the Pre-School period*, P. Sammons, K. Sylva, E.C. Melhuish, and S. Blatchford, Institute for Education and Department for Education and Skills, 2002.

5.7 For communities, local early years services can increase community cohesion and help prevent longer-term social problems. Early years support for vulnerable groups such as families with disabled children can have a positive effect both in terms of promoting development and minimising decline or regression among children with developmental disabilities. Good early years intervention strengthens the ability of families to provide effective support to their children and improves outcomes for the whole family.

The Government's aim

5.8 Since 1997 the Government has expanded and strengthened early years services and is now transforming the way these services are delivered to ensure that over time the needs of children and their parents are met, particularly for the most vulnerable.

5.9 The Government's longer-term aim is to establish a Children's Centre in every community. These Centres will bring together good quality childcare with early years education, family support, health services, and support for parents to return to training and employment. Working closely with private and voluntary sector organisations and local agencies, they will also act as service hubs within the community for parents and providers of childcare services for children of all ages.

Progress and next steps

5.10 Since 1997, the Government has taken a much more active role in the provision of childcare and early years services, recognising that investment in the early years of a child's life can produce long-term, widespread benefits, especially for disadvantaged children.

5.11 Early years has been recognised as a distinct phase of education with Foundation Stage and Early Learning Goals. In February 2004, Ofsted found that over two thirds of nursery and primary schools were good or better – and a quarter very good – with the Foundation Stage well established. Since April 2004, an early years education place has been available to all three and four year olds whose parents want one.

5.12 Responsibility for early years education and childcare was brought together following the 2002 Spending Review into the new Sure Start Unit, which is part of both the Department for Work and Pensions (DWP) and Department for Education and Skills (DfES). This reflects the cross-cutting role that Sure Start plays in child development and helping parents into work. Examples are included in Box 5.1.

Box 5.1: Sure Start Local Programme case studies

Each Sure Start Local Programme is unique and is designed to meet local needs. They are managed by their own Partnership Board which includes representation from statutory organisations, voluntary groups and local parents. The Partnership Board is responsible for managing the budget for the programme and deciding what activities and services are required depending on local need.

The Sure Start Unit does not prescribe what programmes should deliver and it is up to the individual partnerships to choose the activities and services that they introduce around a number of core themes: outreach and home visiting; play, learning and childcare; support for families and strengthening communities; and primary and community health care. Local Programmes are also required to undertake work to support parents into employment and to provide support for children with special needs.

Play, Learning and Childcare (Sure Start Westgate, Newcastle-upon-Tyne)

At Sure Start Westgate, the Programme is working with parents to develop 'story sacks'. Parents have developed these in toddler groups and in nursery settings. Parents were involved in the choosing of books, recording stories onto tape, making up resources and setting up systems for loan. The Programme has also set up workshops for parents about sharing and telling stories with children, and runs family learning programmes called 'Shared Beginnings' in partnership with Newcastle Literacy Trust, and 'Learning Together' in partnership with the Library Service. Both of these programmes also aim to support parents in developing their children's literacy.

Support for Families and Strengthening Communities (Sure Start Bramley, Leeds)

At Bramley, the Programme Manager has experience of working with Women's Aid, a charity organisation dedicated to helping women who suffer domestic violence. The Programme has created a 'Women's Group', which is held during afternoons in term time, at a venue which is not advertised except to those who enquire. This allows women who are experiencing domestic violence to come to an environment where they are safe. The Police and Housing Officers attend on a rota to offer advice. The Programme also offers training to professionals and parents in the area on how to deal with domestic violence.

Support for Parents in Employment (Sure Start Barrow, Barrow-in-Furness)

As one of the only men attending the programme, a Sure Start parent of five was encouraged to start a dads' group and established this whilst on Sure Start Barrow's first training programme. He is now employed in the Programme as the community support manager and dads' group co-ordinator. The dads' group now comprises 40-50 men, and he hopes that involving men in services will encourage more men to take up careers in childcare.

5.13 The 2004 Spending Review builds on existing support, investing extra resources in early years services. **Budget 2004 announced the spending settlement for the Sure Start Unit, giving additional investment in childcare places and services for disadvantaged children of £669m by 2007-08 compared to 2004-05.**

Children's Centres 5.14 Children's Centres will reach 650,000 pre-school children by March 2006 and the settlement provides funding to deliver 1,700 Children's Centres, one in each of the 20 per cent most disadvantaged wards in England by 2007-08, making Sure Start services available to over half of poor children, providing services and linked childcare places.

5.15 The Government's vision is a Children's Centre in every community, sometimes co-located or based at a school. These Centres will bring together in one convenient location a variety of public and other services currently offered to young children, parents and other carers, such as ante- and post-natal care, routine and non-acute children's health services, parenting support, child safety advice and help with equipment, advice on financial support and support for parents with work, education and training opportunities. The need for services will vary and in disadvantaged communities the Centre will reach out to local children, their parents and other carers. The Government will also continue to work towards its aim of affordable, accessible childcare for all parents.

Piloting early education for two year olds **5.16** The Spending Review also announces a **pilot to extend free part-time early education to 12,000 two year olds in disadvantaged areas**. The Effective Provision of Pre-school Education (EPPE) project has demonstrated the positive impact of good quality early education for disadvantaged two year olds on reducing the attainment gap. The pilot will enable the Government to identify good practice for this age group.

5.17 Provision is also being made for **additional support for especially vulnerable groups**. The Government will ensure, as Children's Centres roll out, that early years services address the needs of vulnerable groups, working in partnership with other local agencies and the private and voluntary sector.

Books for pre-school children **5.18** Bookstart helps with early learning through distributing free books and information on reading to pre-school children and their parents. This helps develop early reading amongst young children and their families. The 2004 Spending Review announces three distributions of books to pre-school children.

PSA target **5.19** **A new stretching PSA target for the Sure Start Unit reflects its ambitious role in child development:**

- *improve children's communication, social and emotional development so that by 2008 50 per cent of children reach a good level of development at the end of the Foundation Stage and reduce inequalities between the level of development achieved by children in the 20 per cent most disadvantaged areas and the rest of England. Joint target between DfES and DWP.*

Support for disabled children **5.20** The Government's Early Support Pilot Programme (ESPP) was introduced in 2002 to take practical action to improve service outcomes for very young disabled children and their families, focused on better integration of services, improved information and support for parents and modelling effective multi-agency working, including a simple co-ordinated assessment and support from key workers. Sure Start funding to local authorities enables effective early support packages for young children, improving access to childcare settings for disabled children.

5.21 This year sees the **publication of the Early Support Pilot Programme resources for families and professionals and the roll out of further pathfinder areas**. Over the long term the Government will extend early support for disabled children and their families through building on the experiences of the pilot programme, and spreading these tools and the effective strategies to all Local Authorities and Children's Trusts; by improving training and improving access to home visiting services. Sure Start funding also supports the development and training of a network of early years Special Educational Needs Co-ordinators.

5.22 The Government's commitment to disabled children in this Spending Review is reflected in the DWP's PSA target on improving the rights of disabled people and removing barriers to their participation in society. This target will focus on disabled children as well as disabled adults.

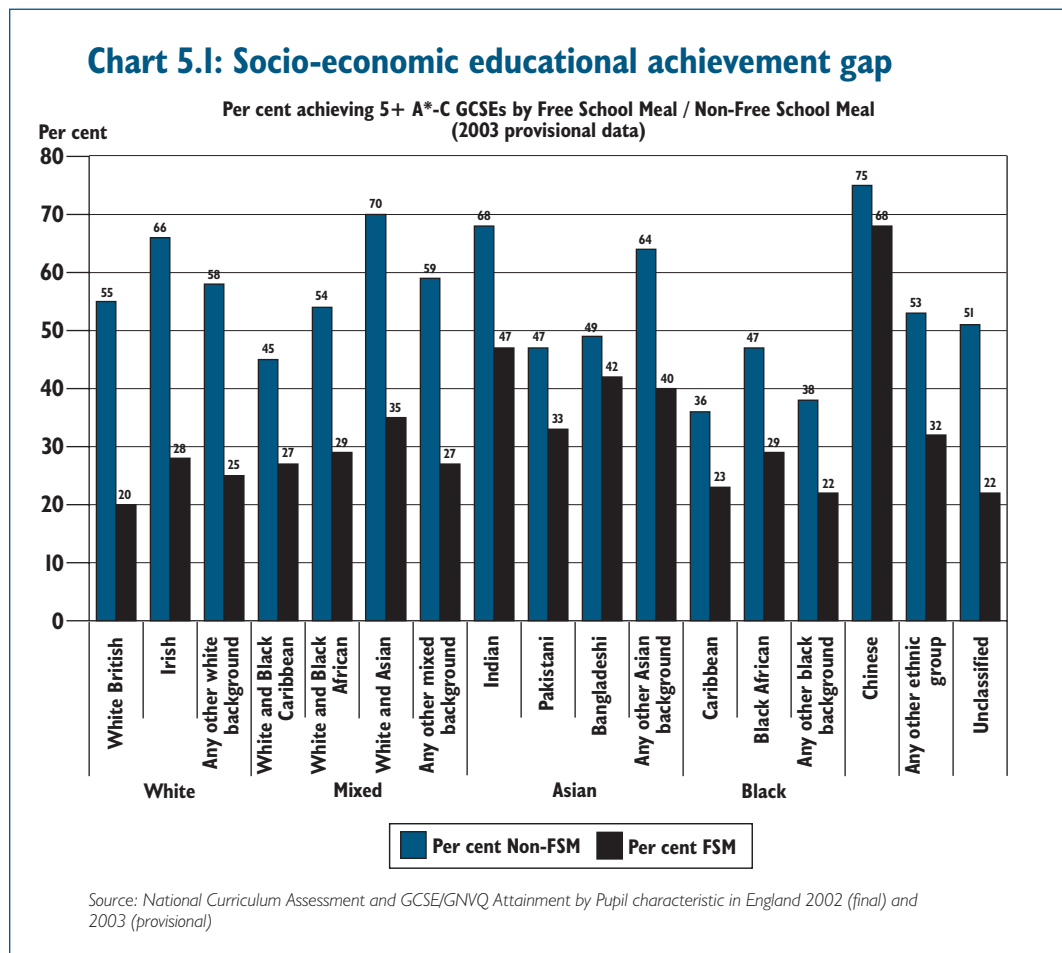
SCHOOL EDUCATION

Relevance to tackling child poverty

Social class achievement gap

5.23 Educational outcomes for children from poorer or deprived backgrounds and certain ethnic minority groups are disproportionately bad compared to the rest of the population. Chart 5.1 demonstrates that outcomes for children with Free School Meals are worse across all ethnic groups than for non-Free School Meal children. It also demonstrates that certain ethnic minority groups have worse outcomes than others. Closing the achievement gap is important as educational outcomes are closely linked to long-term equality of opportunity through building skills and boosting employability.

5.24 Better educational achievement increases the probability of obtaining well paid work and progressing in work. By the age of 37, men with very low literacy and numeracy are six times more likely to be out of work than those with higher skill levels. US data suggest that the effect strengthens during periods of economic difficulty.⁴



⁴ *Persistent Poverty and Lifetime Inequality: The Evidence*, HM Treasury Workshops, 1998.

Poverty and Education: evidence for education's role in combating the transmission of poverty, (Osterman 1991) R. Tabberer, DfEE, 1998.

5.25 Breaking the social class achievement gap will help offset the disadvantages that poor children face, improve equality of opportunity and reduce the considerable costs to society of poorly educated school leavers. It will also break the inter-generational cycle of poverty by helping children with low-income, poorly-educated parents to achieve more through school and thus give their own children a better start too.⁵

The Government's aim

5.26 The Government is committed to improving equality of opportunity for all through education, building an inclusive society in which everyone can realise his or her full potential. Schools are crucial in providing children and young people with appropriate education for the workplace, for their wider well-being, and for citizenship and social cohesion. They are also vital institutions for the wider community.

5.27 The Government's aim is to promote excellence at every level of the education system and to narrow the achievement gap, which underlies the UK's high rates of child poverty and social exclusion. Every school will need to play a leading role at the heart of its community, offering services appropriate to the particular needs of that community. As part of this, the Government is ensuring the development of extended schools to provide a range of services and activities, often beyond the school day, to help meet the needs of their pupils, their families and the wider community.

Progress and next steps

5.28 There has been an increase in overall funding for schools, including capital, of 50 per cent in real terms between 1997 and 2005. **Education spending will rise by an average of 4.4 per cent per annum in real terms over the 2004 Spending Review period and bring the ratio of UK education spending to GDP to 5.6 per cent by 2007-08.**

Attainment gap 5.29 The sustained high investment in education since 1997 has resulted in measurable improvements in standards. Since 1998 the attainment gap for English at age 11 between schools in the most and least advantaged areas has fallen by 18 per cent reflecting the success of the National Literacy and Numeracy Strategies introduced in 1998 and 1999. Results at Key Stages 3 and 4 show that the Excellence in Cities (EiC) programme, which involves schools in deprived areas, is also making a difference. Over the last four years, results in terms of five good GCSEs or equivalent rose faster in EiC schools than elsewhere. In 2002 and 2003, EiC schools' results improved at twice the rate of non-EiC schools. Since 1996 the gap between schools in the most and least advantaged areas has also fallen at GCSEs by 11 per cent.

5.30 There will be continued progress on standards in schools, and in particular on closing the social class attainment gap, building on progress made in primary and secondary schools, and on tackling the association between underachievement and particular social groups including children from low-income backgrounds, particular ethnic groups and children with Special Educational Needs. This will be driven and monitored through sharper PSA targets and monitoring. Extended schools and access to excellent leadership will be central to future progress.

⁵ *National Curriculum Assessment and GCSE/GNVQ Attainment by Pupil Characteristics in England*, DfES, 2002 (final) and 2003 (provisional DfES 2003b): 71 per cent of students with at least one parent with a degree achieved 5= GCSEs A*-C (or equivalent) in 2002, compared with 60 per cent of those with at least one parent with 'A'-levels, and 40 per cent of those parents without 'A'-level qualifications.

5.31 Setting challenging floor targets sends a strong message to schools that the attainment of every pupil matters. Government policy on schools facing challenging circumstances has led to three times the improvement rate in targeted schools. There has also been considerable progress on the floor target for schools to have 25 per cent of pupils gaining five A*-C grades at GCSE by 2006, with a reduction from 616 schools below this target in 1997 to 228 schools below this target in 2003.

PSA targets 5.32 The 2004 Spending Review announces **new, more challenging floor levels have been set for PSA targets for all schools at Key Stages 2 and 3 and GCSEs**, which will set minimum standards for schools, including those in the most deprived areas serving poor children. National targets and floor level targets are set to:

Raise standards in English and maths so that:

- *by 2006, 85 per cent of 11 year olds achieve level 4 or above, with this level of performance sustained to 2008; and*
- *by 2008, the proportion of schools in which fewer than 65 per cent of pupils achieve level 4 or above is reduced by 40 per cent.*

Raise standards in English, maths, ICT and science in secondary education so that:

- *by 2007, 85 per cent of 14 year olds achieve level 5 or above in English, maths and ICT (80 per cent in science) nationally, with this level of performance sustained to 2008; and*
- *by 2008, in all schools at least 50 per cent of pupils achieve level 5 or above in each of English, maths and science.*

By 2008, 60 per cent of those aged 16 achieve the equivalent of 5 GCSEs at grades A to C; and in all schools at least 20 per cent of pupils achieve this standard by 2004, rising to 25 per cent by 2006 and 30 per cent by 2008. (This target may be reviewed in light of recommendations in the Tomlinson report).*

Improve levels of school attendance so that by 2008, school absence is reduced by 8 per cent compared to 2003.

5.33 **The performance of the bottom 10 to 20 per cent of educational underachievers will be monitored by DfES. Separate monitoring of particular ethnic and social groups, pupils with special educational needs, gender, and vulnerable groups such as disabled pupils will also take place to help focus attention more firmly on the most vulnerable children who are more likely to be in the bottom income quintile.**

5.34 Following the 2002 Spending Review, the share of resource funding allocated to take account of children from deprived backgrounds increased by around 2 percentage points in 2003-04, while ensuring a basic entitlement for all pupils. Reform of local government finance contributed to this, especially through the adoption of better focussing of measures of deprivation and more appropriately defined groups of pupils.

Funding 5.35 As some schools face greater challenges than others it is important that funding reflects local circumstances. Although allocations of funding for education centrally between local authorities and direct to schools take account of these factors, distributions to schools at the local level generally give less weight to social need compared to other cost pressures.⁶ Different authorities have different formulae reflecting local circumstances and the views of their schools. The proportion of total funding distributed within a Local Education Authority (LEA) on the basis of deprivation therefore varies considerably from authority to authority.

⁶ *A Fair Share of Welfare: Public Spending on Children in England*, T. Sefton, CASE report 25, May 2004.

5.36 A review of the way in which these formulae operate will commence this year. It will assess whether schools in deprived areas are treated equitably and whether they are putting extra resources to the best possible use. It will develop options for reform. The review will seek to identify the most effective ways to spend resources targeted at deprivation to help children in the bottom income quintile catch up, particularly in primary school, and share best practice. This will reflect the importance that the Government attaches to directing funding towards deprivation, but will need also to recognise the priority of maintaining stability and predictability in schools funding. It will help ensure that allocations at individual school level reflect more accurately the degree of challenge the school faces, with more progressive funding enabling schools to meet the higher costs of educating children from disadvantaged backgrounds, who may have lower prior attainment, poor home learning environments and face other challenging circumstances.

5.37 To ensure continued targeted support for schools serving deprived students and schools in challenging circumstances, the Single Improvement Grant will, as it is gradually established, ensure that it contributes at least as much to raising attainment in deprived areas as is currently achieved through Excellence in Cities and The Leadership Incentive Grant. Each year the school will agree stretching objectives in relation to its particular needs and difficulties in return for access to the Single Improvement Grant.

Connexions 5.38 Connexions, the Government's youth support, advice and guidance service for 13 to 19 year-olds in England, aims to reduce the number of young people who are not in education, employment or training. Connexions has introduced multi-disciplinary and collaborative working, providing teenagers with a 'one-stop' service where they can receive help to deal with any barriers to reaching their potential. DfES will continue to build on this, providing more and earlier support for young people at risk, as well as providing access to activities, advice and services, which will promote personal development and active citizenship amongst young people.

EMAs 5.39 Education Maintenance Allowances (EMAs) provide up to £1,500 per annum for eligible young people on courses such as AS/A2, GNVQs, NVQs and GCSEs, and who are studying in schools, sixth form colleges and Further Education colleges. The pilots of EMAs in a third of local authorities have been successful. In those areas where it was piloted, there was an increase in participation in education among eligible young people of 5.9 percentage points in Year 12 with a further increase in Year 13. About half the flow into full-time education at 16 that can be attributed to EMAs comes from young people who would otherwise have entered the NEET group (not in employment, education or training). National rollout will commence from September 2004.

Ethnic minorities 5.40 Ring-fenced funding has been allocated for use specifically to support pupils from ethnic minorities through the Ethnic Minority Achievement Grant. In particular the grant is designed to meet the needs of pupils for whom English is a second language.

5.41 Aiming High is a programme focused on raising the performance of ethnic minority pupils through the publication of data, pilots to support bilingual pupils in primary school and raising the achievement of African Caribbean pupils in secondary schools. It will deliver rising standards for ethnic minority pupils through strengthening the focus on ethnicity in mainstream improvement programmes, providing targeted support to groups most at risk of underachieving, improving the quality of LEA and schools support services and strengthening accountability through annual publication of achievement data at LEA level. Lessons learnt from the programme will be spread to other schools to ensure dissemination of the best way to achieve equality of opportunity for these groups.

Vulnerable groups 5.42 In order to ensure that vulnerable children (for example, those likely to offend, or living with parental offending, substance misuse or domestic violence) are identified as early as possible, the Government will encourage schools to ensure that a senior member of the school's leadership team is designated to take lead responsibility for dealing with child protection issues, providing advice and support to other staff, liaising with the LEA and working with other agencies. The designated person need not be a teacher but must have the status and authority within the school management structure to carry out the duties of the post including committing resources to child protection matters and, where appropriate, directing other staff. Many schools are already adopting this as good practice. The Green Paper *Every child matters* also places a greater emphasis on promoting safeguarding.

5.43 DfES will also be working to promote a greater role for volunteer mentoring in improving outcomes for children and young people, particularly those from vulnerable groups. This will be delivered through peer mentoring in schools, parent mentoring, mentoring involving the business sector (for example Education Business Partnerships); and mentoring within Connexions. There is also increasing recognition of the benefits of undergraduates working in schools and further education colleges, either as volunteers, for degree credit, or in some circumstances in a paid capacity. They provide excellent role models to encourage more young people to stay on in education. There is a strong case, which DfES will pursue, for undergraduates working in children's services.

School leadership 5.44 From 2003-04 the Leadership Incentive Grant has helped improve leadership in the 1400 schools in the most deprived parts of England. Head teachers and leadership teams across localities have pooled their skills and knowledge through mentoring and coaching so that every school can learn from best practice.

5.45 Good leadership and teaching are essential to turn around badly performing schools. Schools have considerable freedom to design their own recruitment and retention policies, with any teacher or head teacher eligible to be offered a recruitment or retention incentive or benefit, in line with the school's pay policy. These flexibilities could be especially useful for schools in more challenging areas, and the use of resources in this way could be trialled as part of the investigation into the most effective use of resources targeted at deprivation. The New Relationship with Schools is an approach currently being piloted by DfES in which the Department simplifies its specific grants, expected outcomes and other relationships with each school, with a School Improvement Partner to raise performance, staffing and other issues with the head teacher.

Academies 5.46 Academies have been created to replace chronically under-funded schools in disadvantaged areas. Academies are independent, publicly funded, all-ability schools which serve their local communities and share excellent new facilities with their local family of schools and the wider community.

Extended schools 5.47 Extended schools provide a range of services and activities, often beyond the school day, to help meet the needs of pupils, their families, and the wider community. 106 schools are now receiving funding for full-service extended school provision with a substantial further number of schools currently providing some form of extended service. The evidence suggests that provision of community services in schools can improve pupil attainment, behaviour and attendance, support family involvement in children's learning and boost community pride and involvement.

5.48 Extended schools will offer a high quality service for every pupil and will play a particularly important part in overcoming the barriers faced by pupils from deprived backgrounds. Extended schools will evolve in coordination with the development of Children's Centres but will also help older pupils and their families including through study support, lifelong learning and family learning, parenting support, access to ICT and sports and arts facilities and acting as a gateway to other public services such as health and social care. An early objective is for at least one full-service extended school to operate in every LEA by 2006.

Support for disabled children

5.49 Through the Special Educational Needs (SEN) and Disability Act 2001 and the publication of revised SEN Code of Practice (2001), the statutory framework and procedures for SEN have been improved. The implementation of the Special Educational Needs Strategy published in 2003 will improve support for disabled children by making education more innovative and responsive to the needs of individual children. The Government will extend support for disabled children and their families by the implementation of the new national standards that will be set in the forthcoming Children's National Service Framework. The Government will ensure that there is earlier identification of disabilities and better family support services which are responsive to their needs.

Costs of schooling

5.50 During the consultation for the review, the cost of schooling for poor families was raised as a concern. Later this year DfES will publish a survey on the costs of schooling. It will provide evidence relating to the impact of the costs of school uniforms and activities such as school trips for poor families. The standards for the awards of Qualified Teacher Status include requirements to take account of pupils' social background and whether they have particular difficulties. These standards are kept under constant review.

Supporting the development of skills for 16-19 year olds

5.51 Following the end of compulsory education at age 16, young people are faced with decisions that are of crucial importance to determining their future opportunities and economic well-being. The Government is committed to helping young people to make the choices that are right for them, ensuring they reach the age of 19 with the skills they need to succeed in a modern, global economy. Skills are the key to increasing not only individual opportunity and social inclusion, but also labour market flexibility and productivity in the economy. Skills protect against a wide range of negative outcomes including unemployment, inactivity, poverty and poor health, thereby contributing to the elimination of child poverty in future generations. Box 5.2 sets out the details of the Government's recent review of financial support for 16-19 year olds.

Box 5.2: Review of financial support for 16-19 year olds

Building on the success of Education Maintenance Allowances and in response to the Low Pay Commission's request to investigate a National Minimum Wage for 16 and 17 year olds, the Chancellor announced in Budget 2003 that the Government would conduct a review of financial support for 16 to 19 year olds. The aim of the review was to ensure that all young people have the support and incentives they need to participate in education or training.

The review's report, *Supporting young people to achieve*,⁷ was published alongside Budget 2004. It launched a consultation on the Government's long-term vision of a single, coherent system of financial support for 16-19 year olds, which will complement the proposals of the Working Group on 14-19 Reform for a radically reformed qualification structure culminating in a diploma. This combination of reforms should enable all young people to make the choices that are most appropriate for them, ensuring they reach the age of 19 equipped for higher education or skilled employment. The Government is currently seeking the views of young people, parents, learning providers, businesses and the voluntary and community sectors on the proposals set out in *Supporting young people to achieve*.

As an initial step towards its long-term vision, the Government will introduce a package of short-term measures to improve choice, deliver minimum income standards and offer a more individualised, professional service to young people. At the centre of this package is the intention to remove the current distinction in financial support between education and unwaged training and to support young people in finishing their courses after their 19th birthday. The Department for Education and Skills and the Department for Work and Pensions are also jointly investigating innovative and effective practices in the delivery of financial support and advice to young people, for example by looking at co-location of Jobcentre Plus advisers and Connexions Personal Advisers.

5.52 In order to simplify the current system of financial support and increase the level of support provided for young people, the Government will consider the case for increasing financial support for 16-17 year olds on Income Support and Jobseeker's Allowance.

PARENTING

Relevance to tackling child poverty

5.53 Parents are their children's first educators, and the role of parents and carers is of crucial importance in terms of children's life chances. A range of studies found that good at-home parenting accounts for at least 10 per cent of the variance in educational achievement net of social class, therefore having more impact on educational outcomes than primary school.⁸ It is also key in establishing social, cognitive and emotional well-being.

5.54 Parents living in poverty are likely to face risk factors which may make their role as parents harder, for example poor education, lack of material goods such as toys and books, lack of space for play and schoolwork, and depression and anxiety. Recent research shows that the poorer families are, the more likely they are to have children with behavioural problems.⁹

⁷ *Supporting young people to achieve: towards a new deal for skills* can be downloaded at www.hm-treasury.gov.uk/financialsupport. The consultation period ends on 30 September 2004.

⁸ *The impact of parental involvement, parental support and family education on pupil adjustment and achievement: A Review of literature*, C. Desforges and A. Abouchar, for DfES, 2003.

⁹ *Parenting in poor environments: Stress, Support and Coping*, D. Ghate and N. Hazel, Jessica Kingsley Publishers, 2002.

5.55 Parenting also influences a wide range of other long-term outcomes which reinforce the cycle of poverty, including offending and anti-social behaviour,¹⁰ health outcomes,¹¹ teenage pregnancy and drug misuse, all of which impose a considerable cost to the individual in terms of quality of life and life chances, and place a heavy burden on society.

5.56 Demand for parenting support outstrips supply.¹² Provision is especially limited for first level preventative services and there is a lack of appropriate provision for certain groups such as parents with mental health problems or substance abuse problems, families where there is domestic violence, parents of teenagers with behavioural problems, fathers, ethnic minority families, and parents with older children.¹³ Vulnerable groups are less likely to access services, and specialist parenting and outreach support for these groups is underprovided.

5.57 Parenting support is especially important for poor parents in vulnerable groups such as disabled parents, who face a particular risk of being in poverty. Over two million children live in families with one or more disabled adults. These children have an above average risk of living in low-income households.¹⁴ Parenting support for this group is particularly important as disabled parents often face greater physical and social barriers which make the everyday tasks of parenting more difficult. In addition, disabled parents may find it difficult to access existing parenting support which may not cater appropriately for their needs, plus, they may fear being seen as unable to cope.

The Government's aim

5.58 The Green Paper *Every child matters* highlighted the Government's aim of putting support for parents and carers at the heart of its approach to improving outcomes for children, and its wish to create more and better universal and targeted services open to families as and when they need them. The Government's vision is for all parents to be supported in their parenting roles, and to have access to universal parenting support in the form of information and advice, with signposting to more targeted and appropriate specialist support for those groups who have more specific needs (such as disabled parents or parents with mental health problems). These services will be delivered in a more integrated way, better linking the statutory and voluntary sectors in line with the recommendations in *Every child matters*.

Progress and next steps

5.59 The role of parenting support has been increasingly recognised across government and was highlighted in *Tackling child poverty: giving every child the best possible start in life*.¹⁵ The Government has implemented a range of measures to enhance the levels and quality of support available to parents, working closely with the voluntary and community sectors.

¹⁰ *Commentary: nipping conduct problems in the bud*, C. Webster Stratton, British Medical Journal, July 2001.

¹¹ Steward-Brown, Shaw, Morgan, Mockford 2002.

¹² *National Mapping of Family Services in England and Wales – a consultation document*, C. Henricson, I. Katz, J. Mesie, M. Sandison, and J. Tunstill, National Family and Parenting Institute (NPF), 2001.

¹³ *National Mapping of Family Services in England and Wales – a consultation document*, C. Henricson, I. Katz, J. Mesie, M. Sandison, and J. Tunstill, NPF, 2001.

¹⁴ *Households Below Average Income: an analysis of the income distribution 1994/5 – 2002/03*, Department for Work and Pensions, March 2004.

¹⁵ *Tackling Child Poverty: giving every child the best possible start in life*, HM Treasury, December 2001.

Parenting Fund 5.60 As a first step in realising its vision to broaden access to services which help parents to improve their parenting skills, the Government announced the creation of the new £25 million Parenting Fund for England in the 2002 Spending Review. The Parenting Fund supports services delivered by voluntary and community sector organisations that offer early help to parents experiencing difficulties. Managed by the National Family and Parenting Institute, the Parenting Fund will also help to modernise and build the sector's capacity.

Children's Fund 5.61 The Children's Fund is targeted at 5-13 year olds and is a key part of the Government's strategy to tackle the disadvantages and inequalities which derive from child poverty and social exclusion. 149 Children's Fund Partnerships operate at local authority level, focused on developing services that support multi-agency working, and is locally determined and flexible. With an emphasis on supporting children at home, in school, and in the wider community, the Fund also has a strong focus on supporting parents both in their parenting, and with other issues including domestic violence, counselling, family support and health awareness. In Budget 2004, the Chancellor also announced that **the Children's Fund will continue to 2008**.

Home-visiting 5.62 Home-Start is a voluntary organisation, supported by Government, that helps families, with at least one child under the age of five, who are facing difficulties, by matching parents with trained volunteers who provide friendship, practical and emotional support. Home-Start operates 333 schemes (as at 31 March 2004) across the UK and with British forces in Germany and Cyprus.

Expanding parenting support 5.63 The Government has committed itself through the 2004 Spending Review to **expanding, systematising and better signposting services, providing support for parents with targeted help at key transition points in children's lives, including moving into primary and secondary education**. These developments form part of a substantially resourced package devoted to implementing the vision set out in the Green Paper *Every child matters*, with the Children's Social Services element of the Formula Spending Share increased by £300 million in 2006-07 and £500 million in 2007-08 compared to 2004-05. The Government's intention is to increase the provision of targeted home visiting support available nationally, for example by increasing the services provided through Home-Start.

Delivery 5.64 As part of the DfES five year strategy, the Government will also ensure that there is extra information for every parent at key points of childhood transition – when a child starts school; when they move schools; and when they come to consider options beyond schools. Children's Centres will be key focal points for local parenting advice. A telephone advice line and a comprehensive parents' advice website will also be developed.

5.65 In addition the Government will also ensure that all key members of the children and families workforce who work with parents (such as midwives, health visitors, social services professionals, teachers and teaching assistants) are trained to work with parents and carers as well as children and young people.

Vulnerable groups 5.66 The DfES five year strategy will also deliver more specialist services for families and parents, including extra support at difficult times (for example bereavement or serious relationship conflict). The Government will also provide extra support for the most vulnerable children and families who may live with multiple and reinforcing characteristics of disadvantage, for example disabled children and families from disadvantaged ethnic minority communities. Specialised support for families in very specific circumstances such as disabled parents, parents with mental health problems, or parents suffering from addiction will be expanded. This support will ensure that links are made between the services being provided to an adult who is a parent and the needs of their children. Through the Quality Protects programme, the Government provided £60 million earmarked funding to improve

social services family support for disabled children.

Evaluation 5.67 Although the evidence base for what makes effective interventions has grown substantially, it is clear that there is still a need to prioritise a full and effective evaluation of parenting interventions in order to ensure that they lead both to positive changes in parental behaviour and confidence and improved outcomes for children.

Support for disabled parents 5.68 Between 2001 and 2004, the Department of Health funded a project to collate and disseminate information on all aspects of pregnancy, childbirth and parenting for disabled adults. Over the same period, the Department of Health funded the Disabled Parents Network to produce a handbook to inform disabled parents of their legal rights and entitlement to social and health services. In addition, there are examples of successful parenting support programmes, such as those in Tameside and Oldham, for sensory disabled parents.¹⁶

5.69 Looking ahead, the Government will consider how to improve integration between adult and children's social services, looking at a range of options for communicating best practice in providing services to disabled parents. This will include considering how best to promulgate the message that parenting roles and responsibilities should be routinely considered as part of the assessment for community care services. The Government will work with a range of partners including the voluntary sector and maintained sectors on these issues, in particular how parents can be able to ask for help without having to classify their child as being 'in need', as this has negative connotations which may lead parents to avoid seeking help. The Government will also consider how quality lower level, non-stigmatising parenting support could be provided in the context of existing universal and specialised services. In the run up to the 2006 Spending Review, the Government will also review the qualifying criteria for payments from the Independent Living Fund, a DWP-sponsored independent body which makes discretionary grants to disabled adults, considering whether, and if so how, these criteria could better reflect the additional needs of being a disabled parent.

HEALTH

5.70 Health is a key aspect of well-being and healthy children are more likely to benefit from their education. A life-cycle approach to health promotion and disease prevention justifies investment in children's health. Improving children's health and health behaviours will lead to better outcomes throughout life, ensuring that children can get the most out of life during childhood, but also that they have good health to achieve their potential as adults.

Relevance to tackling child poverty

5.71 The link between child poverty and health is strong and cyclical. Children born into poverty have worse outcomes across a range of indicators. For example, they are more likely to be born prematurely, have low birth weight, die in their first year of life or die from an accident in childhood.¹⁷ Babies with fathers in social classes IV and V had, on average in a 2002 health survey, a birth weight 130 grams lower than babies with fathers in social classes I and II.¹⁸ Children and young people from lower income households are more likely to report longstanding illness and less likely to report good or very good general health.¹⁹

¹⁶ *A Jigsaw of services – inspection of services to support disabled parents in their parenting role*, Department of Health, March 2003.

¹⁷ *Growing up in Britain: Ensuring a healthy future for our children*, British Medical Association, 1999.

¹⁸ *Independent Inquiry into Inequalities in Health*, D. Acheson, for the Department of Health, London, The Stationery Office, 1998.

¹⁹ *Health Survey for England 2002, The health of children and young people*, Office of National Statistics, The Stationery Office, London, 2003.

5.72 By middle age, women and men from more disadvantaged backgrounds have death rates that are double those of women and men with advantaged family backgrounds, accentuating the need for a life-cycle approach to tackling health inequalities. Table 5.1 demonstrates life expectancy at birth in the best and worst local authority districts.

Table 5.1: Life expectancy at birth (worst in category, best in category)

Life expectancy at birth (male) in years		Life expectancy at birth (female) in years	
Local authority	2000-02	Local authority	2000-02
Manchester	71.0	Manchester	77.3
Rutland	79.5	Kensington and Chelsea	84.1
Difference	8.5	Difference	6.8

Social Class		Social Class	
	1997-99		1997-99
Social class V	71.1	Social class V	77.1
Social class I	78.5	Social class V	82.8
Difference	7.4	Difference	5.7

Source: National Centre for Health Outcomes, *Compendium of Clinical and Health Indicators using ONS data and Trends in life expectancy by social class 1972-1999*, ONS.

5.73 The UK has one of the highest rates of low birth weight in Europe. Low birth weight is linked to a number of poor outcomes, ranging from higher incidence of cot-death to a wide range of adverse health and educational outcomes in later life. Low birth weight is linked to social class and age of mother. A teenage mother is 25 per cent more likely to have a low birth weight baby compared to mothers in their twenties.²⁰ The link between mother's social class and a baby's birth weight is linked to risk factors that the mother may experience during and pre-pregnancy. For example smoking and poor nutrition are more common among women on low-incomes and adversely impact a baby's weight at birth.²¹

5.74 Many public health risk factors also have a socio-economic gradient in childhood. Levels of obesity are higher in lower social classes and in Asian groups. 3.8 per cent of boys aged 2-15 in social class I were obese in 2002 compared to 5.6 per cent in social class V.²² Smoking among children (11-15 years) has declined over the past 20 years, but prevalence remains higher in lower socio-economic groups. Women in unskilled manual or unemployed groups are four times more likely to have smoked during pregnancy than those in professional and non-manual groups (seven per cent compared to 28 per cent).²³

5.75 Poor children are also more likely to live in poor quality housing and have poor nutrition. Breastfeeding is associated with reduced risk of a number of diseases in babies, and there are also health benefits to the mother such as the reduced risk of certain cancers. Initiation and duration of breastfeeding are associated with maternal education and maternal age. Almost nine out of ten mothers aged over 18 who had completed full-time education initiated breastfeeding compared to just over half of mothers who left school at 16.²⁴ Poor children are less likely to have regular dental check-ups than more affluent children, a gap that widens as children get older.²⁵

²⁰ *Teenage Pregnancy*, Social Exclusion Unit, June 1999.

²¹ *Birth weight, childhood socio-economic environment and cognitive development in the 1958 British cohort study*. B. Jeffries, C. Power and C. Hertzman. *British Medical Journal*, 325: 305-308, 2002.

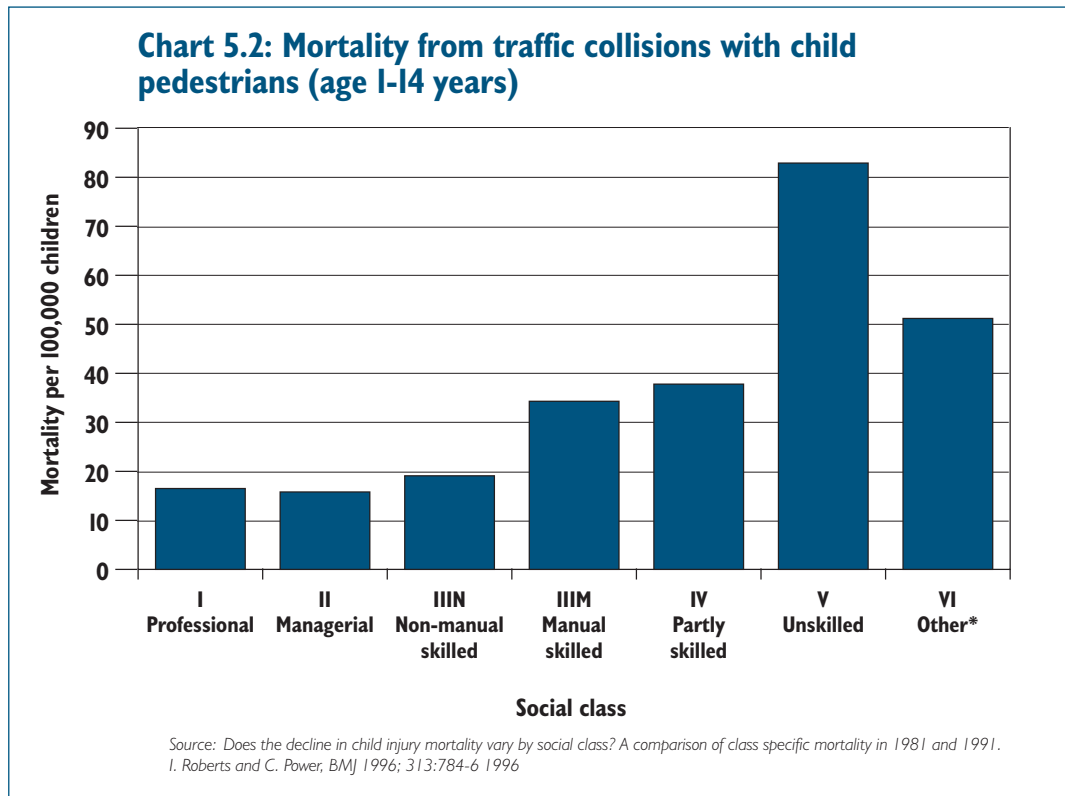
²² *Health Survey for England 2002: The health of children and young people*. Office of National Statistics, The Stationery Office London: 2003.

²³ *Infant Feeding Survey*, ONS on behalf of the Department of Health, 2000.

²⁴ *Infant Feeding Survey*, ONS on behalf of the Department of Health, 2000.

²⁵ *Health Survey for England 2002, The Health of Children and Young People*, Office of National Statistics, The Stationery Office, London, 2003.

5.76 As Chart 5.2 illustrates, the rate of child deaths from injury is five times greater in social class V than in social class I.²⁶ Social deprivation is also a key determinant of child road injuries, with child pedestrians from deprived areas five times more likely to die in road traffic accidents than those from wealthier areas.²⁷ Children from social class V are 15 times more likely to die in residential fires than children from social class I.²⁸



5.77 Certain ethnic groups are much more likely to have worse health outcomes. There are substantial differences in infant mortality rates, with 100 per cent higher rates for children born in the UK to mothers born in Pakistan compared to those of mothers born in the UK.²⁹ Infant mortality rates are based on mother's country of birth rather than the ethnicity of the child and thus may underestimate differences between ethnic groups.

Access 5.78 Given their greater health needs, poor families might be expected to access health services more frequently. Although reported GP consultation rates are higher for children aged two to five years from families of Pakistani, Bangladeshi, Indian and Black Caribbean origin, compared to those in the general population, it is not clear that this is a true reflection of their additional health needs.³⁰ Primary Care Trusts (PCTs) in the low life expectancy areas on average have fewer GPs per population than England as a whole. Almost half of PCTs with below average numbers of GPs are in the most deprived quintile of local authorities for life expectancy. Similarly, lower socio-economic groups seem more likely to bypass primary care. These facts may partially explain worse health outcomes.

²⁶ Does the decline in child injury mortality vary by social class? A comparison of class specific mortality in 1981 and 1991, I. Roberts, and C. Power, *BMJ*, 1996. See also *Making the Connections: Final Report on Transport and Social Exclusion*, Social Exclusion Unit, Office of the Deputy Prime Minister, 2002.

²⁷ *Prevention and Reduction of Accidental Injury in Children and Older People*, Health Development Agency evidence briefing, June 2003.

²⁸ *Prevention and Reduction of Accidental Injury in Children and Older People*, Health Development Agency evidence briefing, June 2003.

²⁹ *ONS Mortality Statistics*, Health Statistics Quarterly 20, Winter 2003.

³⁰ *The health of minority ethnic groups*, Health Survey for England, 1999.

5.79 Recent research into the equity of the NHS concluded that deprived individuals and families use health services less than their level of need would indicate they should.³¹ Potential barriers to NHS services for those on low income include lack of suitable transport and restrictions on time, a difference in beliefs about severity of illness and the need to seek medical attention, and a lack of connections and communication skills which middle class patients often have.³² 31 per cent of people without a car have difficulties travelling to their local hospital, compared to 17 per cent of people with a car.³³

5.80 In addition, services in deprived areas can sometimes be of a worse quality, not least in inner city areas with poor quality primary care premises and larger numbers of single-handed GPs lacking supporting primary care staff and services.

Mental health 5.81 As Chart 5.3 shows, deprived children are more likely to suffer mental health problems than average.³⁴ Children with mental health problems are seven times more likely according to their own admission to truant, and there is a strong relationship between young people's mental health distress and unemployment, substance misuse, and adult mental health problems.³⁵

5.82 Increased prevalence of mental illness is associated with:³⁶

- separation and divorce;
- being a lone parent;
- economic inactivity;
- having one or more physical complaints;
- having a problem with alcohol or substance misuse;
- renting rather than owning accommodation;
- having a lower level of educational attainment;
- having a significant level of debt;
- the effects of child sexual abuse and domestic violence on children; and
- gross weekly household income less than £100 compared with families with higher incomes.³⁷

³¹ *Is the NHS equitable?* A. Dixon, J. Le Grand, from LSE and R. Murray, J. Henderson, E. Poteliakhoff from the Department of Health, November 2003.

³² *Is the NHS equitable?* A. Dixon, J. Le Grand, from LSE and R. Murray, J. Henderson, E. Poteliakhoff from the Department of Health, November 2003.

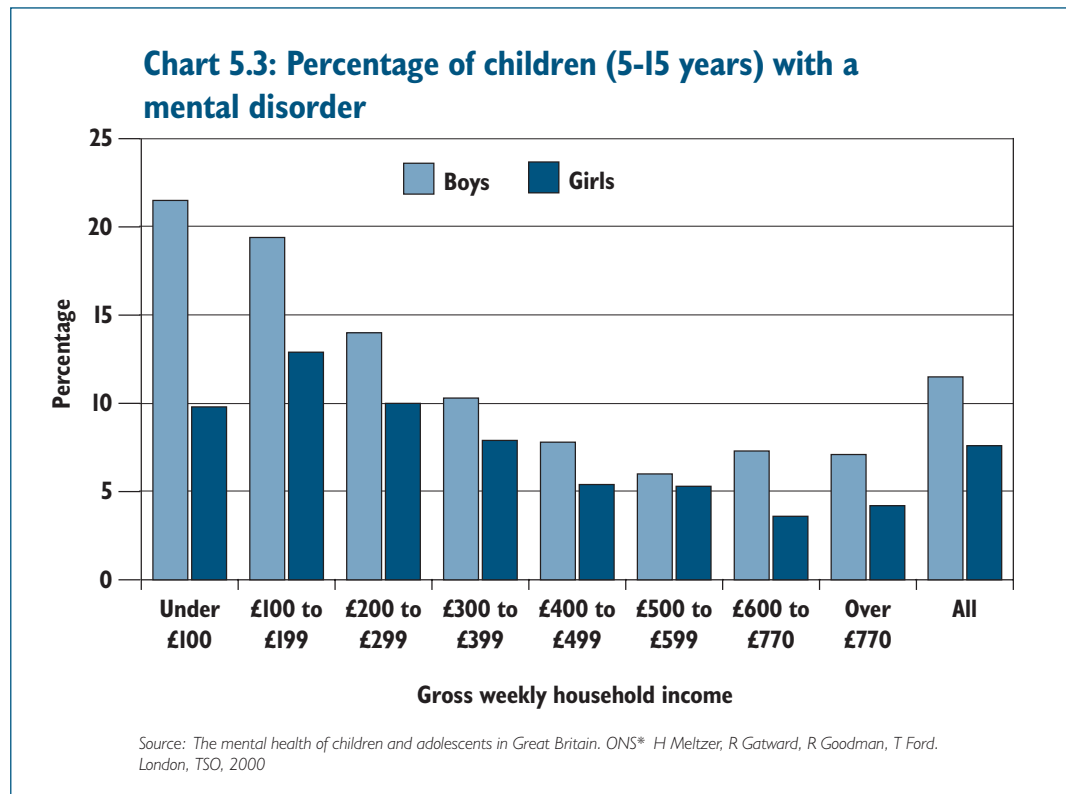
³³ *Making the Connections: Final Report on Transport and Social Exclusion*, SEU, ODPM, February 2003.

³⁴ *The mental health of children and adolescents in Great Britain*, H Meltzer, R Gatward, Goodman R, Ford T, ONS, London, TSO, 2000.

³⁵ ONS op cit.

³⁶ *Psychiatric morbidity among adults living in private households*, N. Singleton et al., 2000, ONS, 2001, HMSO.

³⁷ *The Mental Health of Children and Adolescents in Great Britain*, ONS 1999.



The Government's aim

5.83 The Government's aim is to tackle health inequalities through investment, reform and local responsibility in the health and health care of the most disadvantaged in society. This means ensuring that children's services are coherent in design and delivery, with good co-ordination, effective joint working between and across sectors and agencies, and in partnership with families, mothers and children. The Government also aims to meet the needs and views of children and young people with mental health problems, together with those of their families and carers, in order to improve their life chances within family, social and education settings.

Health – progress and next steps

5.84 The Government is strongly committed to tackling the health aspects of child poverty through its work on children's health services and health inequalities. In 2002 a cross-cutting review on health inequalities was undertaken, and based on its conclusions, *Tackling Health Inequalities: A Programme for Action* was published in 2003, setting out the Government's objectives in this area. In addition the National Service Framework for Children will make an important contribution – see Box 5.2.

5.85 Derek Wanless' report *Securing good health for the whole population*³⁸ recognised that the Government will be unlikely to meet its public health goals if it fails to provide more effective help to the most deprived groups in society. In response to this the Department of Health is currently consulting on the Government's White Paper on Improving Health, which is due to be published in autumn 2004. The White Paper will include a strong health inequalities focus, cutting across the key areas of public health being considered.

³⁸ *Securing good health for the whole population*, D. Wanless, HM Treasury, February 2004.

Box 5.3: The National Service Framework for Children, Young People and Maternity Services

The National Service Framework for Children, Young People and Maternity Services (Children's NSF) will be published in summer 2004. It will set quality standards for services that children and parents can expect to receive irrespective of social class.

The Children's NSF is focused on:

- health promotion and prevention;
- early identification and intervention;
- supporting parents;
- child centred care;
- growing up; and
- standards on illness, disability and maternity services.

5.86 There are four broad policy areas affecting children's health and well-being, where well-targeted and effective interventions can make a real difference to the lives of poor children:

- early years interventions, including tackling infant mortality;
- behaviours in childhood which affect future health;
- teenage pregnancy and other factors which impact on the next generation of children; and
- improved access to health care, especially with regard to mental health.

PSA targets 5.87 The Department of Health has a broad remit to work with partners both inside and outside Government, to tackle health inequalities, based around a PSA target, which is:

- *reduce health inequalities by 10 per cent by 2010 as measured by infant mortality and life expectancy at birth.*

This will reduce the health gap across the population (for infant mortality) and between different areas (for life expectancy between the fifth of areas with the lowest level of life expectancy and the country as a whole).

5.88 The Programme for Action which supports this target emphasises tackling inequalities in access and quality of healthcare and key behaviours such as smoking and obesity, as well as addressing some of the wider determinants of health such as poverty, poor educational outcomes and poor housing and environments.

5.89 The health inequalities PSA target will be a key mechanism for promoting action across government and providing an increased focus on delivery. This underlines the Government's continuing commitment to improving health and raising life expectancy in disadvantaged groups faster than elsewhere. The Government will continue progress on reducing health inequalities, with an increased focus on delivery. This demonstrates the Government's continuing commitment to improving health among vulnerable groups, with policies and programmes to support children and families from the early years through to adulthood, starting with pregnancy.

Early years 5.90 For optimum health and well being, all women require easy access to services, choice and control regarding the care they receive, and continuity of support during their pregnancy, childbirth and the postnatal period. The children's NSF will recommend that pregnant women and new mothers receive support that will help give their children the best start in life.

5.91 Sure Start includes programmes to drive forward local action to improve health and reduce inequalities from the antenatal period through to the first five years of life by making health services more accessible to the most disadvantaged children and families. Key health targets have been set as part of the programme in the areas of smoking cessation during pregnancy, social and emotional development, accident and injury prevention, and diet and nutrition.

Nutrition 5.92 The Government has also driven efforts to improve nutrition through policies and programmes such as: the encouragement of breastfeeding; the introduction of the national school fruit scheme providing one million school children (between the ages of 4 and 6) in England with free fruit; and local 5-A-DAY initiatives to increase access to, and consumption of, fresh fruit and vegetables in disadvantaged communities. There has also been reform of the Welfare Food scheme and the National Healthy Schools programme, which promotes a 'whole-school' approach to health, with teaching in the curriculum complemented by informed messages about healthy eating and the provision of healthy eating choices.

Obesity 5.93 These programmes are crucial because harmful health behaviours in childhood, such as a poor diet, can have an adverse impact on future health. Many of these issues have a greater impact on poor children than they do on children from better-off backgrounds. The Government's commitment to tackling these key public health issues is demonstrated by the new target to tackle child obesity:

- *halting the year on year rise in obesity among children under 11 by 2010 in the context of a broader strategy to tackle obesity in the population as a whole.*

5.94 Whilst diet and nutrition is a key issue here, increasing the amount of exercise taken by children from all social groups, including the poorest, also has a key role to play in reducing obesity and the achievement of better health among children. The Government – with the support of the New Opportunities Fund – will increase the take-up of sporting opportunities by 5-16 year olds by developing and improving sports facilities for over 2,000 schools and raising the standards of physical education, especially in disadvantaged areas. This will help meet the PSA target to:

- *enhance the take-up of sporting opportunities by 5-16 year olds so that the percentage of school children in England who spend a minimum of two hours each week on high-quality P.E. and school sport within and beyond the curriculum increases from 25 per cent in 2002 to 75 per cent by 2006 and to 85 per cent by 2008, and to at least 75 per cent in each School Sport Partnership by 2008. Joint target for the DfES and DCMS.*

Smoking 5.95 Smoking is another crucial area of public health where there are disparities between socio-economic groups. Whilst a new PSA target aims to help more people to give up smoking, particularly amongst poorer groups, the Department of Health has existing targets for reductions in smoking among pregnant women and children:

- *to reduce the proportion of women continuing to smoke in pregnancy from 23 per cent to 15 per cent by 2010, focusing on women from disadvantaged groups; and to make progress on reducing smoking among children (aged 11 – 15 years) from 13 per cent to nine per cent or less by 2010.*

The latter target has already been met with current levels of smoking among children at nine per cent.³⁹

Teenage pregnancy 5.96 A further issue of great importance for improving the health of children and adolescents and reducing health inequalities is tackling issues around sexual health and teenage pregnancy. The Teenage Pregnancy Strategy was launched in 1999, aiming to halve England's under-18 conception rate by 2010 from a 1998 baseline and achieve a 15 per cent reduction by 2004. It also aims to reduce inequality between the 20 per cent of wards with the highest teenage conception rate and the average by at least a quarter by 2010, and increase the participation of teenage parents in education, training and employment to 60 per cent by 2020. The strategy has made significant progress, achieving a fall in the under 18 conception rate of 10 per cent by 2002, and encouraging a third of teenage mothers to participate in education, training and employment.

Access 5.97 Poor health outcomes arising from these public health issues are compounded by inequalities in access to healthcare. The Government has developed a number of programmes and policies to try to tackle this.

5.98 257 Healthy Living Centres (HLCs) awards worth £204 million have been made in England (£350 million in the UK) through the New Opportunities Fund. The programme aims to promote good health in the broadest sense, to reduce health inequalities and to improve the health of the most disadvantaged people. Together, these HLCs are delivering services that are accessible for over 40 per cent of the population. The Government has also established NHS walk-in centres to facilitate better access to healthcare for those without cars.

5.99 More work needs to be done to ensure that accessible and good quality health services are available to all – to deprived children, as well as those from better off groups. To help ensure this, **the 2004 Spending Review period will further support schools to develop as extended schools and offer a range of services, including health services.** Given some of the problems identified by Derek Wanless, the government will also be building a better evidence base on the causes of and the most effective ways to address differences in children's access to health care, including mental health care and the treatment of chronic diseases.

5.100 Services for school aged children will be improved as a result of the Chief Nursing Officer (CNO) Review of nursing for vulnerable children and the Children's NSF. The CNO Review, building on the Green Paper, *Every child matters*, will emphasise the role that public health nurses can play in supporting children, young people and families in a variety of settings including schools. **The Children's NSF will set out standards for health, social care and the interface with education that apply to all children. It will emphasise the scope for a wide range of prevention and health promotion activities to take place in schools and will illustrate how school nursing can contribute to healthy outcomes for children.**

5.101 An assessment of a child's health and development needs will be carried out for every child as part of the Child Health and Development Programme. This will include actions to address the needs identified by the assessment and agree future contact with the primary care team or other agencies such as early years services.

³⁹ *Drug Use, Smoking and Drinking Among Young People in England in 2003: Headline figures*, NatCen/NFER, 2004.

5.102 Through the Children's NSF, the Government will be fostering the development locally of age-appropriate services so that children are cared for in age-appropriate facilities and by appropriately trained staff.

Accidental injury 5.103 Health inequalities are not just a matter of access, accidents also have a strong correlation to social class. Through 'Dealing with Disadvantage', an initiative aimed at tackling the road safety implications of disadvantage from a wide perspective, 15 councils with high child pedestrian casualty rates have received funding of between £300,000 and £1.2 million each. This has contributed to meeting the Department for Transport's PSA floor target to:

- *reduce the number of people killed or seriously injured in Great Britain in road accidents by 40 per cent, and the number of children killed or seriously injured by 50 per cent, by 2010 compared with the average for 1994-98, tackling the significantly higher incidence in disadvantaged communities.*

5.104 To further contribute to reducing child mortality through road accidents and contribute to the PSA target on reducing the number of children killed or injured in road traffic accidents, the Department for Transport will continue to assess the impact of the Dealing with Disadvantage initiative.

5.105 The Government will also continue to reduce the disproportionate number of poor children likely to die in residential fires through the new ODPM PSA target to:

- *reduce the number of injuries in fires by 20 per cent by 2010 through improved fire safety and a more modern Fire Service.*

Ethnicity 5.106 Health inequalities and differences in access to health services are not only a socio-economic issue – there are also unacceptable inequities in health outcomes and access to effective health interventions between ethnic groups. At present, it is not possible to monitor such differences routinely because ethnicity information at key points in people's lives is not collected. As part of achieving wider Government objectives, **the Department of Health will begin to monitor progress in narrowing health inequalities between the population as a whole and different black and ethnic minority groups.** Once the data become available progress on this will be reported annually in the Government's Race Equality and Community Cohesion Strategy.

Mental Health – progress and next steps

Progress 5.107 The Children's Green Paper *Every child matters*, the Department of Health's PSA and the emerging findings of the Children's NSF all promote the importance of child and adolescent mental health.

5.108 In the last few years in response to inequality in service provision nationally, with some services starting from a very low base, the Government has given a higher priority to Child and Adolescent Mental Health Services (CAMHS). This includes:

- *the Department of Health's standard to improve life outcomes of adults and children with mental health problems by ensuring that all patients who need them have access to crisis services and a comprehensive CAMHS;*
- *the Department of Health's PSA target to reduce the mortality rate from suicide and undetermined injury by at least 20 per cent by 2010;*
- *Every child matters recommending a multi-agency strategy for mental health skill development within all children's agencies;*

- the setting up of the National CAMHS Support Service with a network of Regional Development workers, providing advice and guidance to local CAMHS providers and commissioners on national priorities, promoting partnership and leadership development;
- the new joint Department of Health and National Institute for Mental Health in England (NIMH(E) Programme on Violence and Abuse (Health and Mental Health) currently being established to address the health and mental health implications of child sexual abuse and domestic violence for professionals and services identifying and responding to children at risk;
- significant progress made since publication of the NSF for mental health in 1999 and The NHS Plan in 2000. For example, more than 130 crisis resolution teams and over 220 assertive outreach teams are now in place. Targets for early intervention teams, new staff to support access for people in crisis, and new ways of working are progressing. There are at least 500 more beds along with some 320 24-hour staffed beds. Suicide rates are also falling. The three-year average of 8.9 people per 100,000 for 2000-2002 was the lowest rate yet compared to the 1995-1997 baseline; and
- publication of *Mental Health and Social Exclusion*⁴⁰, a new report by the Social Exclusion Unit (SEU) outlining how, for the first time, action will be taken to address the full range of issues affecting people with mental health problems – not just their health needs. It draws attention to issues of employment, access, education, legal rights and access to community facilities and appropriate health and social care services. The aim is to ensure that levels of current investment are used wisely to help raise awareness of problems for people with mental health needs, and take action to improve social inclusion.

Next steps 5.109 The introduction of CAMHS has already improved many children's lives. However it is lagging behind need and the target, and too many children with established mental disorders are still not receiving a service. Local development and expansion of CAMHS services will continue to be supported by the NSF and by continuation of the CAMHS 2002 PSA target, which requires the development of a comprehensive CAMHS service locally by 2006.

5.110 As further progress towards delivery of a comprehensive local CAMHS service, delivery will be extended to all 16 and 17 year olds.

5.111 In delivering the objective of comprehensive CAMHS services, commissioners and providers will consider their local needs and current provision and develop local solutions. These may include, for example:

- improving access to specialist care for children and young people who have both a learning disability and a mental health disorder;
- establishing intensive interventions with assertive outreach for children with complex and persistent problems; and

⁴⁰ *Mental health and social exclusion*, Social Exclusion Unit, ODPM, June 2004.

- ensuring that all children and young people in need of in-patient care are treated in an environment suited to their age and development.

5.II2 Work to carry forward mental health NHS Plan targets, and the target to reduce the rate of death by suicide by 20 per cent by 2010 will be undertaken with support from the NIMH(E). NIMH(E) will launch a strategic plan to tackle stigma and discrimination on mental health grounds in June 2004. The aim will be to carry forward recommendations made by the SEU report on mental health and social exclusion in partnership with other Government Departments and a range of experts, stakeholders and service users and carers.

TRANSPORT

Relevance to tackling child poverty

5.II3 Chapter 3 outlined the link between transport and parental employment, with a lack of access to transport acting as a barrier to getting a job for two out of five jobseekers. In addition, effective public transport is, for many poor families, their main way of accessing services.

5.II4 Transport and access issues are vital to ensuring that poor children have access to the services they need to benefit them in childhood and later life. These include accessing healthcare, getting to school, being able to buy healthy, affordable food, and other local activities.

5.II5 Over 12 months, 1.4 million people miss, turn down or choose not to seek medical help because of transport problems, and 16 per cent of people without cars find access to supermarkets hard compared to 6 per cent of people with cars. Transport can also be linked with shorter term material outcomes for children, with pollution (air and noise), main roads and pedestrian accidents more likely to affect poor children in deprived areas.⁴¹

The Government's aim

5.II6 The Government is committed to a transport system that is safe, efficient, and reliable. The Government is committed to a transport system that ensures mobility and access for all whilst minimising the impact of travel on people and the environment.

Progress and next steps

5.II7 The Government has made progress on widening access to services and improving public transport. *Making the Connections: the Final Report on Transport and Social Exclusion* examined the link between social exclusion, transport and the location of services, explaining how the Government will address these issues and improve outcomes for socially excluded areas and individuals.

PSA target 5.II8 The Government has established a PSA target to secure improvements in accessibility, punctuality and reliability of local public transport (bus and light rail) with an increase in use of more than 12 per cent by 2010 compared with 2000 levels. This is on track to be achieved through engagement with local authorities.

⁴¹ *Making the Connections: Final Report on Transport and Social Exclusion*, SEU, ODPM, February 2003.

Accessibility 5.119 Guidance on accessibility planning, will be issued in 2004, to ensure that people, particularly those from disadvantaged groups and areas, can get to key services at reasonable cost, in time and with relative ease. The Department for Transport (DfT) has completed an extensive work programme to inform the development of a practical toolkit to help local authorities identify and address unmet local accessibility needs. The process involves joint working between transport local authorities and partners across the local area for example in land use planning authorities, local education authorities, learning and skills councils, the NHS and Jobcentre Plus.

5.120 Accessibility planning is to be incorporated into local authorities' next Local Transport Plans due in July 2005. Assessing accessibility to jobs and key services by public transport will become an important area of work for local authorities in determining how transport provision and the location of services can benefit all members of the community. This work will allow local authorities to identify accessibility priorities and develop local accessibility indicators from which targets could be developed to drive delivery and better inform future resource provision in these areas.

5.121 Authorities will be expected to report against a range of core indicators to assess how transport is being improved for the whole population in general and for socially excluded groups in particular. This will enable authorities to ensure that action to improve accessibility is targeted at the groups and areas who need it most. These indicators will assess:

- access to primary and secondary schools for children receiving free school meals, and all people of school age;
- access to further education for those in receipt of an Education Maintenance Allowance (when these data become available in 2005), and all people between 16 and 19 years of age;
- access to employment for people in receipt of Jobseeker's Allowance, and all people of working age;
- access to GPs for households without cars, and for all households;
- access to hospitals for households without cars and for all households; and
- access to major retail centres for households without cars and for all households.

5.122 Improving accessibility is not just about improving transport provision as the location, design and delivery of services also impact significantly on people's ability to access jobs and key services. Therefore, DfT will continue to take forward the policies from the Social Exclusion Unit report, in partnership with other Government departments and local partners. ODPM, DfES, DWP, DCMS and the Department of Health will also issue guidance on accessibility planning to their local service bodies. This will lay out the role that they should play in accessibility planning and the importance of accessibility in delivering their objectives.

5.123 The DfT will be **working closely with the voluntary sector to identify the ways of delivering benefits to disabled people and other socially excluded groups, and to support them in doing so in the most effective way.**

Bus subsidies 5.124 Budget 2002 commissioned a bus subsidy review to review the over £1 billion of Government subsidy to the bus industry each year and ensure that it is being spent in the most efficient and effective way and is fully targeted towards achieving Government objectives. These include promoting social inclusion and accessibility, increasing patronage, encouraging people to use public transport rather than cars and helping to tackle congestion.

5.125 The review has considered a number of options for replacing the present subsidy regime, and concluded that greater gains could be achieved at present through bus operators and local authorities improving services for passengers within the current framework. The exception is where bus services are procured through quality contracts. In these, the Government will no longer pay Bus Service Operators Grants, but instead transfer a parallel sum to the local transport authority for procurement of bus services. The review has also noted room for improvement in other aspects, including whether the system for administering concessionary fares could be made more efficient to ensure maximum benefits for those who need them. The DfT will be announcing further details and the way forward later this summer.

Access to labour markets **5.126** The Government extended eligibility for the Travel to Interview Scheme and the Jobcentre Plus Adviser Discretionary Fund, which can be used to pay for travel costs, and the setting up of a ‘Traveline’ information service to combat poor travel aspirations and facilitate access to services and work.

FAMILIES AT RISK, CHILD CRIME AND ANTI-SOCIAL BEHAVIOUR

5.127 There are strong associations between youth crime, parental crime and child poverty. Children who grow up in poverty are more likely to be exposed to the risk factors that can lead to offending. Involvement in crime in itself can negatively impact on children’s immediate and adult life chances. In addition, both poverty and criminal behaviour can also be passed down from one generation to the next. Having a parent who is involved in crime not only increases the risk of a child offending, but also increases the risk of a child suffering poor outcomes in adult life, with risks and disadvantages being passed from one generation to the next.

5.128 This section addresses the risk factors associated with the onset of crime and identifies the best prevention measures to limit and stop offending behaviour, avoiding the poor outcomes and associated poverty, and enabling children and young people to better contribute to society. Family risk factors such as domestic violence, having a parent in prison and substance misuse are also examined.

Relevance to tackling child poverty

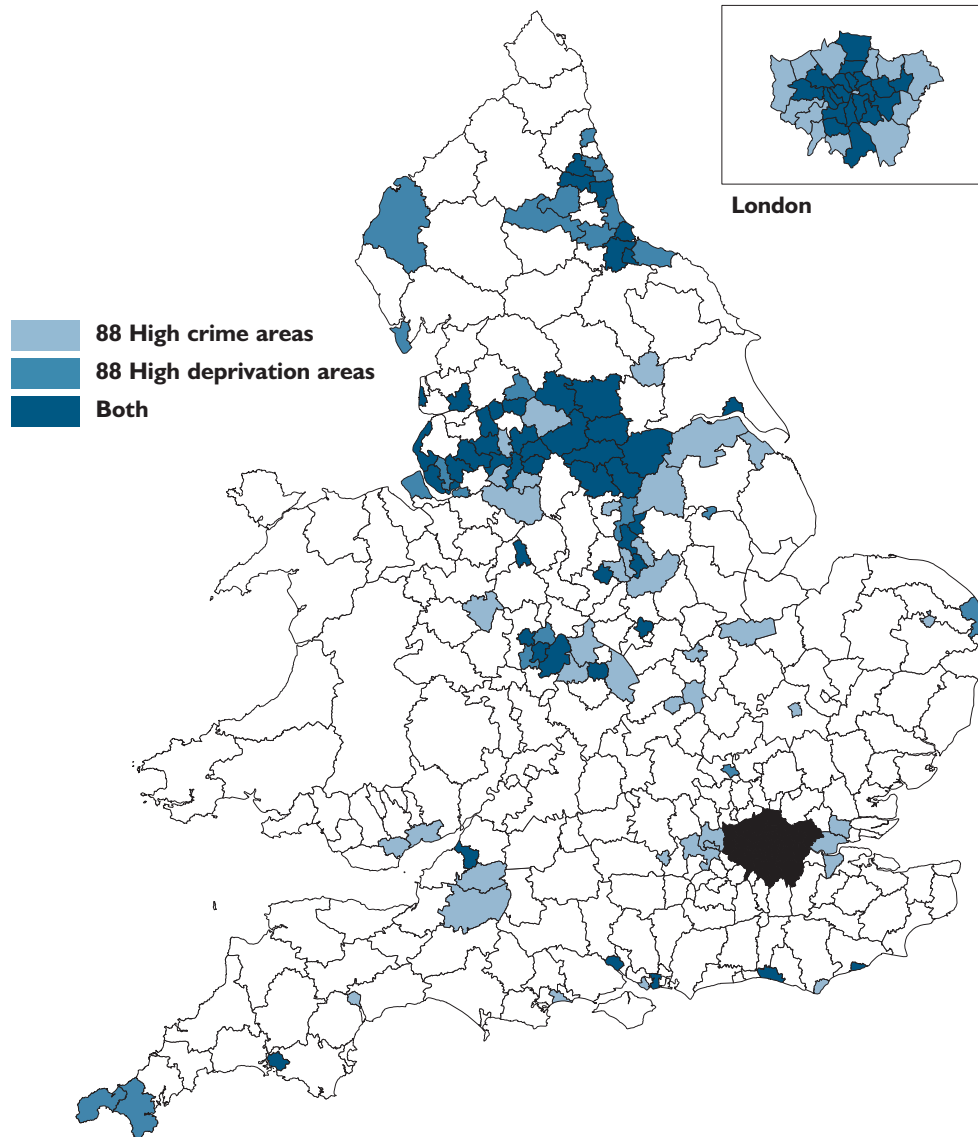
5.129 Children born into poverty are far more likely both to be victims of crime and to offend. Around two thirds of the most deprived areas in England are also areas with the highest rates of crime.⁴²

5.130 There are a number of factors associated with deprivation that increase the risk of criminality for children born into poverty, including: low family income; increased likelihood that parents are offenders or substance misusers; less effective school environment and lower educational achievement; and delinquent siblings.

5.131 These risk factors can of course be associated with all children, but they are more likely to be concentrated in the lives of the most disadvantaged. When the most deprived areas in England and Wales are mapped onto the highest crime areas, there is a 66 per cent overlap (see Chart 5.4).

⁴² *British Crime Survey figures*, Home Office, 2001.

Chart 5.4: Illustration of the overlap between areas of high crime and deprivation



Source: Crime: British Crime Survey 2001. Deprivation: Local Authority Neighbourhood Renewal Areas (Indices of Deprivation 2000 and 1999).

Adult risk factors 5.132 Having a parent in prison can have a particularly detrimental impact on children. Every year approximately 150,000 children have a parent who enters prison.⁴³ Sources of income and accommodation can be lost, and benefit entitlements may alter, exposing the family to poverty. Prison sentences can also break up family relationships. 45 per cent of offenders lose contact with their families while serving a sentence. As a result, their children are more likely to suffer from stigmatisation, disturbed sleep and mental and physical ill-health.⁴⁴

⁴³ *Every child matters*, DfES, September 2003.

⁴⁴ *Reducing Re-offending by ex-prisoners*, Social Exclusion Unit, ODPM, 2002.

5.133 In addition, the estimated 300,000 parents who misuse substances may negatively affect almost every aspect of a child's life from family function to emotional development and cognitive ability.⁴⁵ Maternal drug use during pregnancy can seriously affect foetal growth. Parental substance misuse also increases the likelihood of children themselves becoming substance misusers. Problem drug use is strongly associated with socio-economic deprivation,⁴⁶ and the chaotic and unpredictable lives of substance misusers will severely reduce their chances of breaking out of poverty.

Domestic violence 5.134 Domestic violence also plays a strong role in deprivation and criminality. Children who experience inter-parental conflict and violence are more likely to be delinquent, and also more likely to themselves commit violence and property offences.

5.135 There were 13.6 million incidents of domestic violence in 1995, and 48 per cent of victims had children.⁴⁷ In 2001-02, around 300 domestic violence support providers helped around 115,000 children in total, over 20,000 of whom were living in emergency accommodation. Around 16 per cent of homelessness acceptances every year are due to domestic violence, leading to the disruption and negative connotations of homelessness for the mother and child.⁴⁸ See Chapter 4 for more details on the impact of homelessness.

5.136 Mothers experiencing domestic violence are also more likely to become lone parents⁴⁹, less likely to be earning independently, and more likely to report their families getting into financial difficulties, with family income sometimes withheld from the victim and child as part of the pattern of abuse. All of this means those mothers are more likely to have lower incomes and places their children at greater risk of suffering poverty and higher risk of offending.

Child crime 5.137 Children's own involvement in crime can also put them at greater risk of poor outcomes. Young offenders stand a disproportionate chance of suffering other problems, including:

- educational underachievement – 42 per cent of young offenders sentenced in courts have been excluded from school;⁵⁰
- mental health problems – up to one in three young offenders suffer from mental health problems, compared with one in ten of the general child population;⁵¹
- teenage pregnancy – around 39 per cent of young women under the age of 21 in prison are mothers, and 25 per cent of young men are fathers;⁵² and
- poor employment prospects – over two in three prisoners were without jobs before their arrival in prison.⁵³

⁴⁵ *Hidden Harm – Responding to the needs of problem drug misusers*, Advisory Council on the Misuse of Drugs, 2003.

⁴⁶ *Hidden Harm – Responding to the needs of problem drug misusers*, Advisory Council on the Misuse of Drugs, June 2003.

⁴⁷ *Inter-Personal Violence Module of the British Crime Survey*, Home Office, 1995 (the fullest data we have on the prevalence of domestic violence.)

⁴⁸ *PI(E) quarterly homelessness data*, ODPM,

⁴⁹ *Mirrlees-Black (1999). Marsh et al, 2001* found that 34 per cent of lone parents reported that arguments in the last year of the relationship had led to physical violence.

⁵⁰ *Misspent Youth*, Audit commission, 1996.

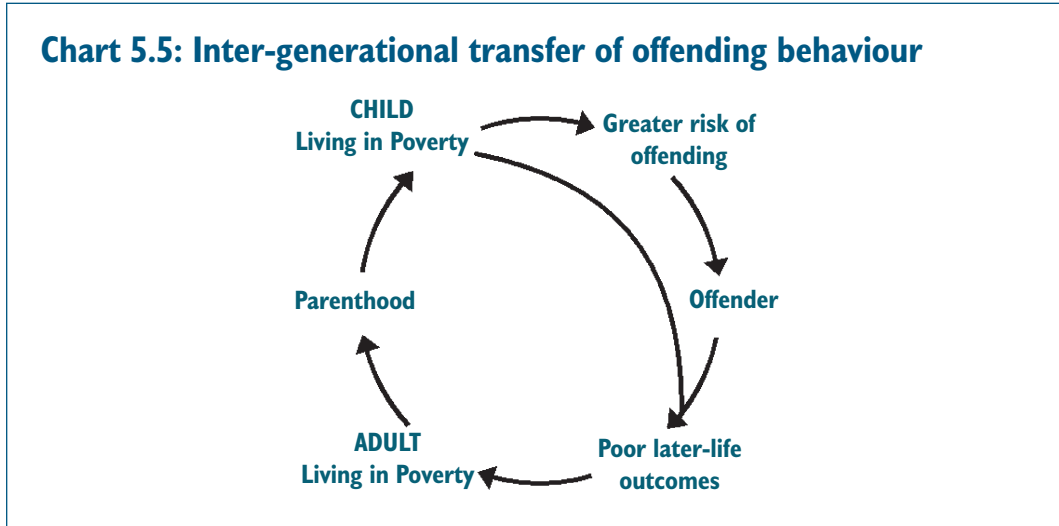
⁵¹ *The mental health of young offenders*, Mental health foundation, 2002.

⁵² *Thematic Review of Young Prisoners*, HM Chief Inspector of Prisons, 1997.

⁵³ *Jobs and homes – a survey of prisoners nearing release*, Home Office, 2002.

5.138 When such individuals have children of their own, these children are therefore far more likely to live in poverty. They are also at high risk of offending themselves. One study found that 63 per cent of boys with convicted fathers were themselves convicted, compared with 30 per cent of the remainder.⁵⁴ In this way, poverty and criminality can be transmitted between generations, from parent to child.

Chart 5.5: Inter-generational transfer of offending behaviour



5.139 Early preventative intervention to combat anti-social behaviour and youth crime benefits children's long-term life chances as cognitive criminal responses are reformed and non-criminal behaviour introduced earlier. This reduces the economic and social costs to both the individual and society as a whole (with savings of £200,000 per lower risk, non drug-using offender and much higher costs for high risk offenders)⁵⁵ and prevents the inter-generational transfer of offending behaviour to their offspring.

5.140 Existing research from both the UK and the US indicates that it is possible to identify at an early stage the children and young people at risk of poor outcomes, including those engaging in offending or substance misuse. Furthermore the existing evidence base suggests that early intervention can prevent the development of patterns of serious or persistent criminal behaviour later on in life⁵⁶, bringing numerous benefits to both the short and long term life-chances and experience of the child, and also to society as a whole.

The Government's aim

5.141 The Government wants to build a secure, ordered and stable society, to enhance opportunities for all, and to ensure that the protection and security of the public are maintained and enhanced. It wants to help create a decent, civil society in which people can shape their own lives and participate fully in their local community. The Government's key objectives to deliver this include:

- preventing crime and the fear of crime, tackling the reasons behind crime, reducing re-offending and dealing with offenders;
- building stronger and more active communities and reducing anti-social behaviour;

⁵⁴ *The development of Offending and Anti-Social Behaviour from Childhood: Key findings from the Cambridge Study in Delinquent Development*, D. Farrington, 1995.

⁵⁵ Home Office estimated discounted costs of a criminal career using HORS 217 *The Economic and Social Costs of Crime; the Offenders Index longitudinal data; and Labour Force Survey 2001 data*.

⁵⁶ Research conducted by Stephen Scott for the Home Office (2002) (unpublished).

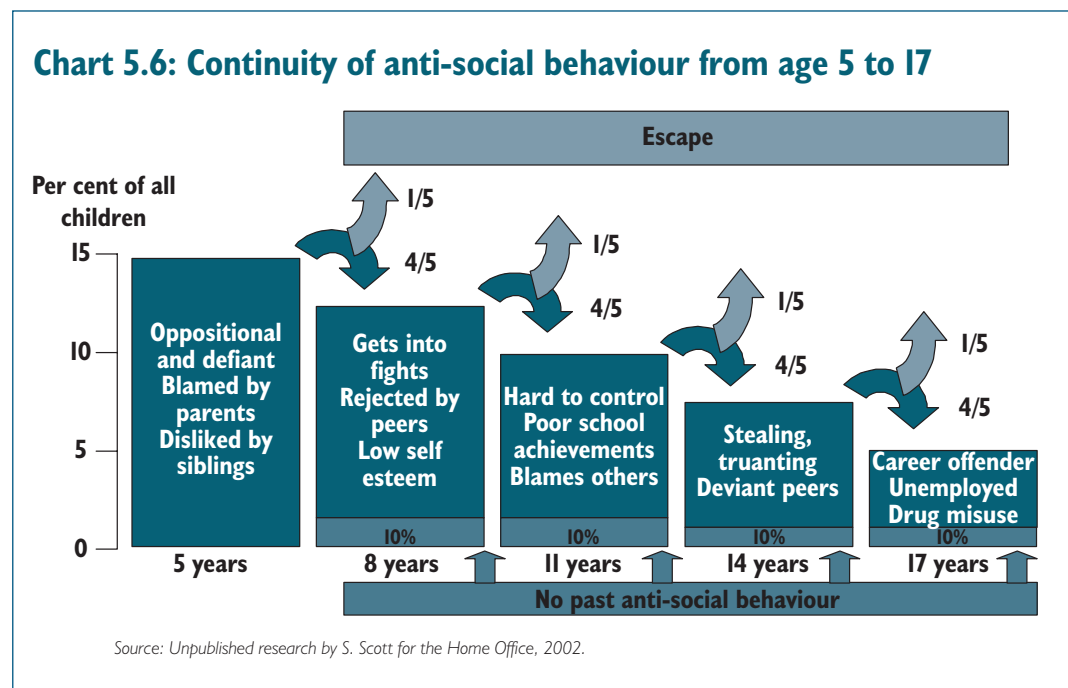
- reducing the harms that drugs cause to society – communities, individuals and their families – by preventing today’s young people from becoming tomorrow’s problematic drug users. This involves reducing supply, reducing drug-related crime and its impact on communities and reducing drug use and drug-related offending through treatment and support; and
- tackling domestic violence through working to prevent it from happening in the first place, working with victims and offenders to prevent it recurring, providing increased legal protection for victims and their families and providing support for victims to rebuild their lives.

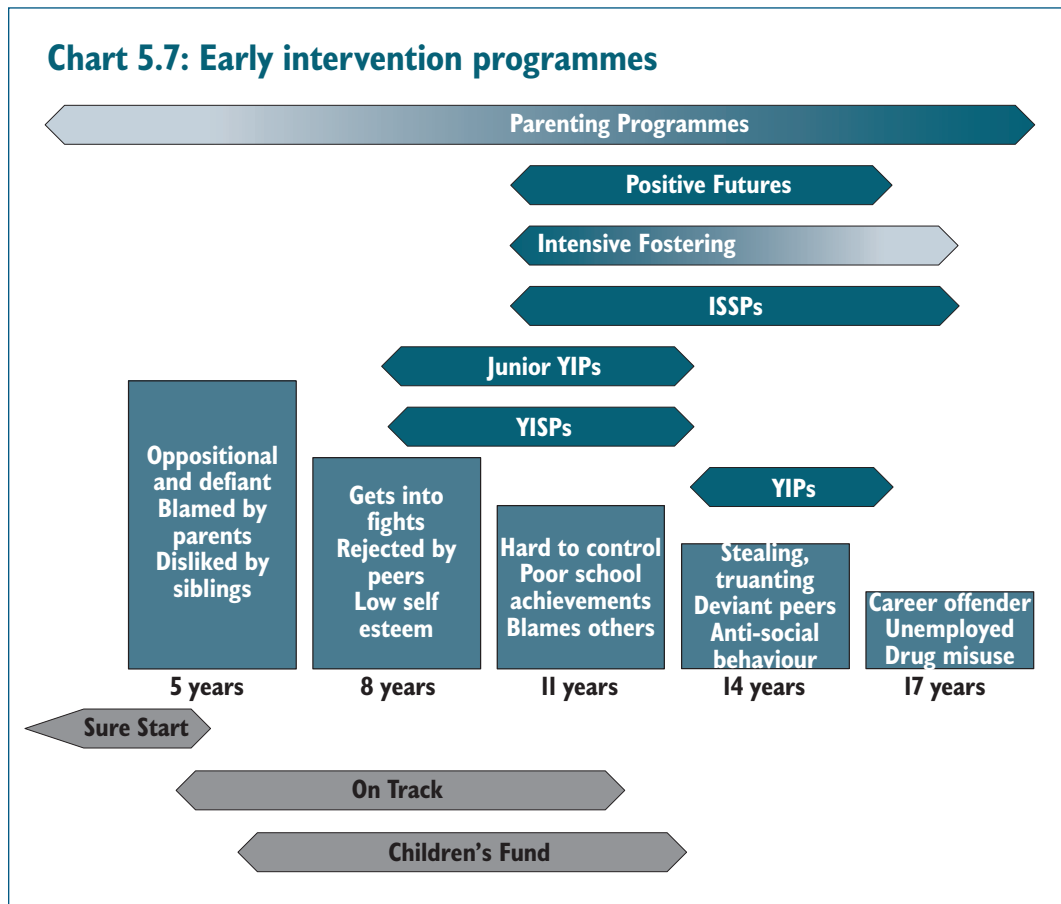
Progress and next steps

Child crime and anti-social behaviour

5.I42 In addition to dealing with those already convicted of offences, the Government has increasingly focused on early intervention measures to try to prevent offences occurring in the first place, or to divert young offenders away from career criminality. A wide range of programmes to help children who offend or are at high risk of offending has been rolled out nationally. Research suggests that early intervention is far more efficient than later measures. Programmes directed at diverting young people at risk and parenting programmes can save over £10 for every £1 invested. This should be compared to general investment in policing and work to reduce adult re-offending which returns between £1-£3 for every £1 invested.

5.I43 Chart 5.6 sets out when in childhood children are likely to commence various types of offending behaviour, and the percentage of children who escape from these offending patterns compared to those who go on to develop more severe criminal behaviour. Chart 5.7 outlines the support currently available for children and the correlation of intervention with the onset of patterns of offending behaviour.





YISPs 5.144 Youth Inclusion and Support Panels (YISPs) cover children aged 8-13 years at risk of offending. The panels recommend a programme of support from mainstream services, or provide key workers to offer dedicated help to those who need it most. The Children's Fund currently funds 92 YISPs in England and Wales.

5.145 Early intervention to tackle risk factors associated with offending is the most effective and best value for money way of reducing child crime leading to lifetime offending. The Government will therefore be **expanding coverage of YISPs**.

YISPs 5.146 Youth Inclusion Projects (YIPs) cover children aged 13-16 who are either at high risk of offending or have already begun to offend. They provide a tailored intervention package to address each child's key risk factors. Interventions include diversionary activities such as sport and structured advice sessions on drugs, health, education and employment. Building on the 14 original pilots, they are now being established across England through Youth Offending Teams (YOTs). There are currently 70 YIPs in operation across England and Wales.

5.147 The 2004 Spending Review announces **the expansion of YIPs, with the aim of providing a YIP for the highest crime Basic Command Units across the country**.

ISSP 5.148 The Intensive Supervision and Surveillance Programme (ISSP) now provides an alternative to custody for the most persistent young offenders, aged 10-17. Although relatively few in number these young people commit a disproportionately high percentage of crime in England and Wales. In addition to addressing individual risk factors associated with offending, ISSPs also seek to bring structure into young offenders' lifestyles.

5.149 The Government will be **increasing the number of ISSPs as an alternative to custody.** Intensive fostering as a community sentence is being developed for serious and persistent offenders on the threshold of custody, where their home environment is directly contributing to their offending behaviour.

Parenting support **5.150** In addition to the more general parenting support outlined earlier in this chapter, Parenting Programmes for parents with children who offend or are at risk of offending (both voluntary programmes and those under parenting orders) currently reach approximately 5,500 parents per annum through the youth justice system.⁵⁷

5.151 Positive Activities for Young People (PAYP) provides a national programme of activities during the school holidays for 8-19 year olds at risk. The programme aims to reduce crime and to ensure that young people return to education, have opportunities to engage in new and constructive activities and mix with others from different backgrounds.

5.152 'Positive Futures' is a Home Office managed national sports based social inclusion programme whose projects operate within the 20 per cent most deprived wards. 107 local projects are working with marginalized 10-19 year olds, with around 20,000 young people currently engaged.

5.153 'On Track' is an early intervention and prevention programme for 4 to 12 year olds designed to reduce the risk factors associated with offending. It partners professionals from a variety of disciplines to provide a package of services designed to help children and their families before they reach crisis point. Many On Track programmes are based in schools, allowing early intervention as soon as teachers identify potential problems.

Community participation **5.154** Building capacity, social assets and leadership within communities is crucial to tackling anti-social behaviour and improving neighbourhoods. Community participation in England has risen by over 1.3 million since 2001 (an increase from 48 per cent of the adult population in 2001 to 51 per cent in 2003). Matched funding arrangements between Government Departments have generated at least 50,000 volunteers in areas including sports, libraries, social care and youth justice. The Time Limited Development Fund has given a £13.5m boost to 113 voluntary and community organisations working in deprived areas. The Government retains its commitment to working with the voluntary and community sector to increase engagement, and 2005 is the UK year of the Volunteer.

Mentoring **5.155** Support offered through mentoring relationships can have a key role in enabling children to achieve their full potential, particularly at times of transition. Volunteers make an important contribution to society, helping to meet a range of needs including those of children. Government is committed to creating a framework in which volunteer mentoring and befriending can flourish. As well as funding a series of mentoring projects to showcase its potential and facilitate the sharing of good practice, Government has overhauled the national and regional infrastructure which supports volunteer mentoring to co-ordinate activity, promote quality standards and increase opportunities for people to get involved. **The 2004 Spending Review will provide further support for the development and expansion of mentoring.**

5.156 Corporate community involvement can play an important role in building strong and healthy communities which support and improve the life chances of children. Many employers offer schemes for employee volunteering, which benefit schemes such as mentoring. Since July 2003, a network of over 60 Corporate Champions has been established to work with Government to increase levels of impact of corporate community involvement through the Corporate Challenge.

⁵⁷ Mapping exercise carried out by the Trust for the Study of Adolescence, on behalf of the Youth Justice Board, June 2002.

Families at risk 5.157 The Government is taking action to reduce the number of children who are affected by crime. This comes in a context of falling crime and increased police numbers. Since 1997, total crime in England and Wales, as measured by the British Crime Survey, has fallen by 25 per cent. The chance of being a victim of crime has fallen from 34 per cent in 1995 to under 27 per cent.

Parental offending 5.158 The Government is putting in place a new policy of tough, credible community sentences and fines as the key to achieving a rebalanced system of sentencing overall. The implementation of this rebalanced system will lead to fewer children being separated from their parents through custodial sentencing, and mitigate the severe consequences associated with having a parent in prison.

5.159 The Sentencing Guidelines Council, set up under the Criminal Justice Act 2003, will issue revised guidelines to reflect the rebalanced system of sentencing, recommended by the Carter Review. The Government has also established a National Offender Management Service (NOMS) to deliver these sentences. As a result of these reforms, prison will be reserved for those who need it, and the Government will also make use of more innovative sentencing. For example, intermittent custody will focus on tackling re-offending by reducing the negative impact of short custodial sentences. Many offenders serving short sentences lose their jobs and homes, and their family suffer from the separation. The Prison Service, however, does not have long enough to work with the offender. Intermittent custody is a punitive sentence, but one that increases the chance of avoiding a return to crime afterwards.

5.160 NOMS will also deliver a case management approach to offenders, with prisoners who are parents identified before arrival at prison, and consistently throughout the prison estate. This will be achieved through a requirement on offender managers to ask offenders for this information and to include it in their report before a sentence is passed. NOMS will also identify where improvements need to be made in information exchange and develop and implement solutions.

5.161 ODPM is also co-ordinating action on accommodation outcomes in the Home Office Reducing Re-offending Action Plan, to support the development of NOMS. This will join up provision between the Prison and Probation Services and provide a stronger regional structure and focus to reduce re-offending and prevent homelessness. ODPM will support NOMS and the work of Regional Offender Managers by facilitating effective links between them and local authorities' housing and homelessness strategies.

5.162 Women offenders need to be re-connected with supportive services such as the housing and employment services necessary to rebuild their lives at the end of a sentence. This can reduce the likelihood of their future re-offending and of poverty for themselves and their children, and lead to better childhood conditions for children of ex-offenders. Over the 2004 Spending Review period the Government will **pilot radical new approaches to meet the specific needs of women offenders, to tackle the causes of crime and re-offending among this group and reduce the need for custody.**⁵⁸

⁵⁸ Just 58 per cent of women serving custodial sentences have accommodation arranged for them when they leave prison, and 70 per cent have not been employed prior to being in custody. *Home Office Study* found that 71 per cent of prisoners with no accommodation arranged on release had not received any housing advice.

Domestic violence 5.163 The Royal Colleges of Obstetrics and Gynaecology, General Practice, Midwives and Nursing, in their response to the Home Office consultation on domestic violence,⁵⁹ highlighted the importance of early intervention by appropriately trained health care professionals to identify and respond to domestic violence. The Department of Health and the Home Office have jointly funded, with the National Institute for Mental Health in England, a National Domestic Violence Co-ordinator post in the Modernisation Agency. Work in this area will focus on the role of PCTs, the linkages across generic health maternity services, primary care and specialist mental health services, the role of public health, the linkages with child protection policy and services, and the role of the voluntary sector. In particular, the Department of Health will be working with the Royal College of Midwives to begin the introduction of routine enquiry, asking all patients in antenatal care about domestic violence. This measure responds to the high proportion of domestic violence which starts or escalates in pregnancy.

5.164 Early identification and intervention have the potential to ameliorate the detrimental effects of domestic violence and sexual abuse for affected children, to improve their life chances and to reduce the incidence of physical and mental ill health in adulthood. Currently underway is a programme of work across Departments to prevent domestic violence, protect and support victims, and bring offenders to justice. The Department of Health will, with the NIMH(E), the Home Office Victims Unit, Domestic Violence Unit, Crime Reduction Delivery Team and Juvenile Offenders Unit, map services and develop national service guidelines in these areas. Expert Groups comprising key academics, professionals, service providers and service users will be overseeing this work which will begin to come on stream from April 2005.

5.165 However, there is more to be done to address victims' complex support needs. The provision of practical and emotional support to help victims navigate through the array of agencies and services available by an independent domestic violence support worker has proved in some local projects to be an effective way of empowering victims and enabling them to live free from violence. **The Government will look at provision of emotional and practical support for victims of domestic violence and look to expand this where practicable.**

5.166 The Government has invested significant amounts in safe accommodation for victims of domestic violence, creating an extra 300 units of accommodation between 2003-04 and 2005-06. The Government is also legislating to provide greater protection for domestic violence victims through measures in the Domestic Violence, Crime and Victims Bill.

5.167 As part of ODPM's work to prevent homelessness **the Government will continue work on schemes which offer additional security and support for victims of domestic violence and their children, enabling them to stay in their own homes where it is safe for them to do so, thereby avoiding the disruption and negative consequences of homelessness.** These approaches require active co-operation between housing authorities, police and other agencies. These approaches are also likely to be more effective as part of a well co-ordinated local domestic violence strategy. In April 2005, ODPM plans to introduce a new Best Value Performance Indicator to assess the overall effectiveness of local authority services designed to help victims of domestic violence.

Substance misuse 5.168 The Updated Drugs strategy 2002 sets an aim to limit the availability of class A drugs. It identifies the shortcomings in terms of childcare for women drug misusers, and also focuses on the lack of attention to children of drug misusers. The Department of Health and the National Treatment Agency for Substance Misuse (NTA) have developed guidance on the optimal models of care for drug treatment services. Models of Care⁶⁰ will provide the national

⁵⁹ *Safety and Justice - The Government's proposals on Domestic Violence*, Home Office, June 2003.

⁶⁰ *Models of care for the treatment of adult drug misusers. Framework for developing local systems of effective drug misuse treatment in England*, National Treatment Agency, 2002.

framework for drug misuse services in England required to achieve equity in commissioning and provision of substance misuse care and treatment in England. It has the status of a National Service Framework. Some areas already have many or most elements described in Models of Care in place, it is expected that other areas will require a significant review and new provision of services to adopt the framework. This process is being supported by pilot studies commissioned and overseen by the NTA.

5.169 Building on substantial investment in the 2002 Spending Review period, **the 2004 Spending Review allocates new resources to identify more offenders with drug problems, and divert them into treatment.** In addition, more resources will be made available to expand the provision of drug treatment in prisons in order to break the cycle of offending caused by addiction. Research shows that retention in effective treatment can reduce criminality among drug users by 50 per cent – by 2008, 200,000 users will undergo treatment every year.

5.170 The Government has set targets on substance misuse for which the Home Office, Department of Health and DfES are responsible. These will reduce the harm caused to children of drug misusers through increasing the number of adult drug misusers in treatment and also tackle the severe outcomes associated with child substance misuse by reducing the prevalence of drug misuse in children and young people.

5.171 The Government will be working to ensure that services which address the needs of adult drug users also consider the needs of dependant children and establish strong links with children's services so that these needs can be addressed and any risks minimised. Treatment services will build on areas of good practice such as ensuring that child protection procedures are clearly communicated to clients, minimising the likelihood of mothers failing to access treatment services due to unjustified fears that their children would be taken into care.

6.1 Looking ahead to the Government's long-term goal to eradicate child poverty by 2020, the child poverty review has considered whether the existing strategy is the right one. The Government still believes that the most efficient and sustainable way of reducing child poverty will involve:

- ensuring decent family incomes through full employment and a modern tax and benefit system based on the principle of progressive universalism;
- helping parents who can work into work through active labour market policies, making work pay, supporting family friendly working practices, tackling the barriers to employment, and helping progression in work;
- support for parents in their parenting role so that they can confidently guide their children through key life transitions; and
- delivering excellent public services that improve children's lives in the short term and help break cycles of deprivation in the long term.

6.2 Making further progress requires cross-Government action. The new suite of Public Services Agreements (PSAs) for the 2004 Spending Review will play a key part. In particular the new set of floor targets, aimed at levering up the performance of public services in deprived areas towards the national average, will make an important contribution. Annex C lists the PSA targets that contribute to tackling child poverty.

6.3 The preceding chapters have provided an overview of the key policies for the 2004 Spending Review and the longer term that are designed to improve poor children's immediate outcomes and break cycles of deprivation through enhancing equal opportunities.

6.4 The child poverty review has reinforced the importance of the contribution of a wide range of public services in tackling child poverty in a sustainable way – financial support for families and getting parents into work need to be complemented by mainstream public service interventions that meet the needs of poor families and children. Action is therefore required across a number of fronts if child poverty is to be reduced in a sustainable manner. Moreover, measures which help tackle child poverty can help achieve wider Government objectives: in furthering the goal of employment opportunity for all; reducing social exclusion; improving the health of the nation and in preventing crime.

6.5 Tackling child poverty involves cross-Government effort. While the child poverty target is owned by HM Treasury and the Department for Work and Pensions, it is clear that several other departments have had and will continue to have major contributions to make. Following the publication of *Every child matters*, children's services have been brought together under a new Minister for Children and Families. These changes will support more joined-up policy development and delivery for early years services, education, parenting support and wider children's services. Action has already been taken to combine a range of children's policy areas in the Department for Education and Skills (DfES), for example Children's Social Services and Family Policy, and to give DfES the lead role in co-ordinating a 'Change for Children' programme to implement the Green Paper across Government. The programme of change for children will be developed and delivered through the broadest possible partnership and on the basis of a new relationship between Government and all those concerned.

6.6 It is also vital to work in partnership with the Devolved Administrations to tackle child poverty. Responsibility for public services such as education, health and housing, is devolved to the administrations in Scotland, Wales and Northern Ireland, who therefore have a key role to play in breaking cycles of deprivation for poor children. This shared agenda is reflected in *Opportunity for all*, which summarises the strategies in place to tackle poverty and social exclusion in the Devolved Administrations.

6.7 The child poverty review consulted with the Devolved Administrations to learn from best practice in these areas, and the Government will continue to work together with the Devolved Administrations through the Joint Ministerial Committee on child poverty.¹

WORKING WITH KEY PARTNERS

6.8 Tackling child poverty requires more than just central government intervention. The child poverty review has benefited from a wide range of contributors. The Government wants to build on this productive collaboration.

Voluntary and community sectors

6.9 The voluntary, community and faith sectors (VCS) contribute to the child poverty agenda in a range of ways: providing input and advice on policy development; helping to shape services at the local level; delivering statutory services; and delivering voluntary services. The ability of the VCS to innovate and drive forward reform has been critical in shaping the Government's approach to tackling child poverty.

6.10 Earlier chapters highlighted specific policy areas where the VCS have and will continue to have prominent roles. For example in delivering parenting support, the Children's Fund and Sure Start Local Programmes.

6.11 The Government will drive forward the role of the VCS in public service delivery and reform through implementing the conclusions of the voluntary and community sector review. This review is exploring in greater depth the practical advantages the sector can bring to public service delivery and reform; setting out strategies for the sector's involvement in key areas; and developing a jointly-owned action plan to build a more effective and stable partnership between the VCS and local public sector bodies. Interim findings of this review are set out in the 2004 Spending Review White Paper, and final findings of the review will be reported in the autumn.

Local authorities

6.12 As well as working with the VCS, the child poverty review's consultation process reinforced the crucial role played by local authorities. This is encapsulated in one of the seven shared priorities for public services agreed by central government and the Local Government Association (LGA) in 2002: *improving the quality of life of children, young people and families at risk, by tackling child poverty, maximising the life chances of children in care or in need and strengthening protection for children at risk of abuse*. The other six shared priorities also have links with the child poverty agenda.² From 2005, the revised Comprehensive Performance Assessment (CPA) will consider councils' delivery against local needs under the shared priorities in a strengthened and more locally-focused Corporate Assessment, together with a single service block for children and young people.

¹The terms of reference for the Joint Ministerial Committee on poverty are to consider joint or co-ordinated action by the UK Government and the Devolved Administrations to tackle poverty and social exclusion; and to facilitate exchanging information and best practice.

²Promoting healthier communities and narrowing health inequalities; promoting the economic vitality of the localities; meeting local transport needs more effectively; transforming the local environment; creating safe and stronger communities; and raising standards across schools.

6.13 The new Children Bill, which was presented to Parliament in March 2004, places a duty on children's services authorities to make arrangements through which key partners will co-operate to improve the well-being of local children. The Bill makes provisions for joint area reviews, which will be conducted under a new framework for integrated inspection of children's services and will allow for themes of national significance, including action to reduce disadvantage, to be pursued and reported. A consultation on the framework is in progress. Relevant results from the reviews will feed into a local authority's CPA. Performance on leading and delivering children's services, improving well-being and tackling poverty will be key drivers of an authority's overall CPA score in the revised Assessment, to be introduced from 2005.

6.14 Many local authorities have undertaken a range of activities and strategic work that support the national child poverty agenda. The LGA has provided a summary of the various ways in which local authorities can and have contributed:³

- maximising take-up of tax credits and benefits among eligible households;
- acting as community leaders, promoting the social, economic and environmental well-being of their communities through partnerships with local organisations;
- promoting employment through linking with Jobcentre Plus to promote the public sector as an employer of choice. This is being achieved through recruiting a diverse workforce, expanding opportunities for lifelong learning, being a family-friendly employer and promoting in-work benefits;
- delivering key public services: education, social services, housing, regeneration, transport and leisure facilities; and
- establishing a new model for delivering children's services in a joined-up way.

6.15 Looking ahead, central Government wants to make sure it supports local authorities in their contribution to the child poverty agenda. The Government is therefore establishing a 'child poverty accord' with the LGA to consolidate this. Partners⁴ will work together to:

- improve employment rates, as set out in 'Helping the hardest to reach into work', the Partnership Accord between the Department for Work and Pensions, Jobcentre Plus and the LGA;
- narrow inequalities of opportunity, for poor children, especially educational opportunities; and
- improve the full range of local services for children (including childcare and other early years activities, cultural and leisure activities, and family support services) including those for disabled children, in the context set out in *Every child matters: next steps*, and ensure that the promotion of opportunities for poor children is a priority in this work.

6.16 Partners will work jointly to achieve these outcomes, including by:

- promoting the UK national strategy for tackling child poverty, as set out in *Opportunity for all* and the *UK National Action Plan on Social Inclusion*, including ensuring that Government publications reflect the contribution of local government and the services it provides;

³ *Child poverty and local government: the local authority contribution to eradicating child poverty*, Local Government Association, September 2003.

⁴ The Department for Education and Skills, the Department for Work and Pensions, HM Treasury, the Inland Revenue and the Local Government Association.

- promoting the take-up of benefits and tax credits locally by learning from best practice, building on the LGA's 'Quids for Kids' campaign, and sharing information about local take-up rates;
- where appropriate, working with local authorities considering including targets in their second generation Local Public Service Agreement (LPSA) which contribute to the eradication of child poverty, for example on take-up of benefits and tax credits or increasing educational opportunities for vulnerable children. The Government is keen to support local authorities in designing a model, outcome-based group of LPSA targets and appropriate indicators which can be adapted to reflect local circumstances and priorities; and
- sharing research and evidence which bears on the eradication of child poverty.

FURTHER PROGRESS

6.17 The Government has demonstrated its commitment to tackling child poverty. It has set and extended challenging targets. It has directed unprecedented resources towards poor children. It is meeting the challenge of making sure mainstream public services deliver for poor children, and has responded to the growing coalition of support for action in developing the next steps.

6.18 The public can hold the Government to account on its plans and achievements. *Opportunity for all* will continue to publish details of a range of indicators that relate to child, family and community outcomes. The range of relevant PSA targets and government departments' reports of their progress provide further accountability.

6.19 This review has demonstrated that policies to reduce child poverty can help meet wider Government objectives. In addition, planned spending must reflect the latest evidence and it is likely that further increases in spending will require better knowledge of what works and for whom. Departments will continue to work on this, alongside the research community, in the run-up to the 2006 Spending Review. This will ensure a continued drive towards the Government's long-term goal of eradicating child poverty.

A

CONSULTATION BY THE REVIEW

The child poverty review consulted widely through a series of seminars. Written submissions were also received. This annex lists both the seminars and the organisations that contributed to the review. In addition, members of the review team were grateful for the meetings on child poverty organised by other organisations, for example:

- What is the way forward in tackling severe child poverty? A conference organised by Save the Children (2 September);
- Opportunity and Inclusion Forum organised by the Institute for Public Policy Research-IPPR, The Sutton Trust and the Centre for British Teachers (CfBT) (6-7 September);
- Tackling Poverty in London organised by Greater London Authority (16 October);
- Zacchaeus 2000 Trust: Budget Standards seminar (23 October);
- Trades Union Congress seminar on child poverty and employment (4 December);
- Transport Seminar run by Transport 2000 (11 December); and
- Debt on our Doorstep seminar (15 January).

SEMINARS

In 2003, HM Treasury, in conjunction with other government departments, held a series of seminars on issues related to child poverty:

- areas (8 October) with the Office of the Deputy Prime Minister (ODPM);
- ethnicity (22 October) with the Social Exclusion Unit;
- early years (12 November) with the Department for Education and Skills (DfES);
- housing (14 November) with ODPM;
- parenting (19 November) with DfES;
- child crime and anti-social behaviour (21 November) with the Home Office;
- education outcomes (24 November) with DfES;
- work and adult disability (24 November) with the Department for Work and Pensions;
- health outcomes (26 November) with the Department of Health;
- debt, access to credit and financial inclusion, (1 December); and
- adult risk factors (3 December) with the Home Office.

In addition, several seminars were jointly organised by the review team and other organisations with an interest in tackling child poverty:

- Local Government Association seminar (5 December);
- Disabled Children (14 November) with End Child Poverty; and
- Four Nations (14 January) with End Child Poverty.

ORGANISATIONS CONSULTED BY THE REVIEW

ACE Credit Union Services
Action for Prisoners' Families
Archbishop Michael Ramsey School Technology Council
Association of British Credit Unions Ltd
Association of Credit Union Workers
Association of Directors of Social Services
At Work Recruitment
Avon and Somerset Constabulary Policy
Barclays
Barnardo's
Bedfordshire Youth Offending Team
Black Training and Enterprise Group
Bradford Youth Parliament
Bristol Debt Advice Centre
Britain's General Union
CAB Strategy Group
CABE Space
Campaign for Community Banking Services
Cap Gemini Ernst and Young
CHANGE
Charles Dickens School
Child Poverty Action Group
Child Poverty Task Group, Wales
Childline
Children in Wales
Children's Fund
Children's Play Council
Children's Society
Church Action on Poverty
Citizens' Advice
Columba 1400
Commission for Legal Services
Communities that Care
Community Action Network
Community Finance Solutions
Community Links
Community Practitioners and Health Visitors Association
Community Transport Association
Connexions Service National Unit (CSNU)
Co-operative Bank
Coram Family

Council for Disabled Children
County Youth Offending Service (Durham)
Crawley Parenting Forum
Crime Concern
Crown Woods School, Eltham
Croydon Primary Care Trust
Daycare Trust
Debt on our Doorstep
Disability Alliance
Drugscope
End Child Poverty
Fairbridge
Family Links
Family Services Unit
Family Trust Fund
Family Welfare Association
Fathers Direct
Fuel Poverty Advisory Group
Gaddum Centre
Greenwich Social Services
Groundwork
Halton Unemployed
Haringey Peace Alliance
Health Team for the Homeless (Blackpool)
Hull New Deal for Communities
Impact Sheffield
Independent Pregnancy Advisory Group
JMU Access Partnership
King's Cross Homelessness Project
Little London Community Primary School and Nursery, Leeds
Liverpool and Burnley ESOL Pathfinder
Local Government Association
London Challenge
London Health Observatory
Maghull High School
Marlborough Family Service Unit
Maternity Alliance
Merseytravel
Money Advice and Budgeting Service, Ireland
Money Advice Association
Morgan Harris Burrows
NACRO
NASUWT

National Autistic Society
National Childminding Association
National Children's Bureau
NCH
National Consumer Council
National Council for Voluntary Childcare Organisation
National Council of Voluntary Childcare Organisations (NCVCCO)
National Family and Parenting Institute
National Healthy Schools Programmes
National Housing Federation
National Society for the Prevention of Cruelty to Children (NSPCC)
National Treatment Agency
National Youth Agency
NetCuda, Essex
Newark and Sherwood Local Strategic Partnership
New Horizons, Cambridge
Ninestiles School
Northern Ireland Anti Poverty Network
One Parent Families
Oxfam UK Poverty Programme
Parenting Education Support Forum
Parentline Plus
Peabody Trust
Peacemaker Project
Phoenix High School
PLAYLINK
Portsmouth Area Regeneration Trust
Portsmouth Children Trust
Prison Reform Trust
Public and Commercial Services Union (PCS)
RBS NatWest
Refuge
Royal Institute for the Blind
Royal National Institute for Deaf People
RSP Rainer
Safer Schools Partnership
Salford Moneyline
Save the Children UK
Scope
Services Against Financial Exclusion
Shelter
Single Parent Action Network
Small World Family Centre

Social Care
 Social Information Systems
 Somerset Early Years Development and Childcare Partnership
 South East Children's Taskforce
 Southall Black Sisters
 The Ashton Trust
 The Rosemount Project
 The Starting Well Project
 Thomas Fairchild Primary School
 Thomas Telford School
 Tower Hamlets Local Education Authority
 Trades Union Congress
 Transport 2000
 Traveller Law Reform Coalition
 Trust for the Study of Adolescence
 Turning Point
 Unison
 Voice for Child in Care
 Wales Co-operative Centre
 Welsh Consumer Council
 Women's Aid Federation of England
 Young, Gifted and Educated
 Youth Inclusion (South Tyneside)
 Youth Offending Team (Acton)
 Youth Offending Team (Hammersmith and Fulham)
 Zacchaeus 2000

Academic institutions, research groups and think tanks

Birkbeck College, London
 Centre for the Study of Ethnicity and Citizenship
 City University
 DEMOS
 Glasgow Caledonian University
 Herriot-Watt University
 Institute for Fiscal Studies
 Institute for Policy Research
 Institute of Criminology, Cambridge
 Institute of Education
 IPPR
 Joseph Rowntree Foundation
 Kings College, London
 Liverpool John Moores University
 London School of Economics

London School of Hygiene and Tropical Medicine
National Centre for Social Research
National Institute of Economic and Social Research
New Economics Foundation
New Policy Institute
Nottingham Trent University
Personal Finance Research Centre
Policy Research Bureau
Queen Mary and Westfield, University of London
Royal College of Paediatrics and Child Health
Sheffield Hallam University
Sheffield University
The Open University
University College, London
University of Bristol
University of East London
University of Essex
University of Exeter
University of Leeds
University of Leicester
University of Newcastle
University of Oxford
University of Southampton
University of Westminster
University of York

Local authorities

Brighton and Hove Council
Bristol City Council
Cheltenham Borough Council
Cornwall County Council
Durham County Council
Essex County Council
General Teaching Council
Greenwich Borough Council
Hampshire County Council
Hertfordshire County Council
Leicester City Council
London Borough of Barnet
London Borough of Ealing
London Borough of Southwark
Manchester City Council
NE Lincolnshire Council
Newham Borough Council

Nottingham City Council
Rochdale Borough Council
Sheffield City Council
Southampton City Council
Surrey County Council
Telford and Wrekin Council
Tower Hamlets Borough Council
Wiltshire County Council

Government departments and public sector bodies

Cabinet Office
Commission for Health Improvement
Commission for Racial Equality
Countryside Agency
Department for Food, Environment and Rural Affairs
Department for Transport
Department of Culture, Media & Sport
Department for Education & Skills (DfES)
Department of Health
Department of Trade and Industry (DTI)
Department for Work and Pensions
Government Office - Yorkshire and Humberside
Health Development Agency
Home Office
Housing Corporation
Office for National Statistics
Office for the First Minister and Deputy First Minister, Northern Ireland Executive
Office of the Deputy Prime Minister (ODPM)
Regional Co-ordination Unit (ODPM)
Ofsted
Prime Minister's Policy Directorate
Scottish Executive
Social Exclusion Unit (ODPM)
Sure Start Unit (DfES)
Welsh Assembly Government
Women and Equality Unit (DTI)
Youth Justice Board

B

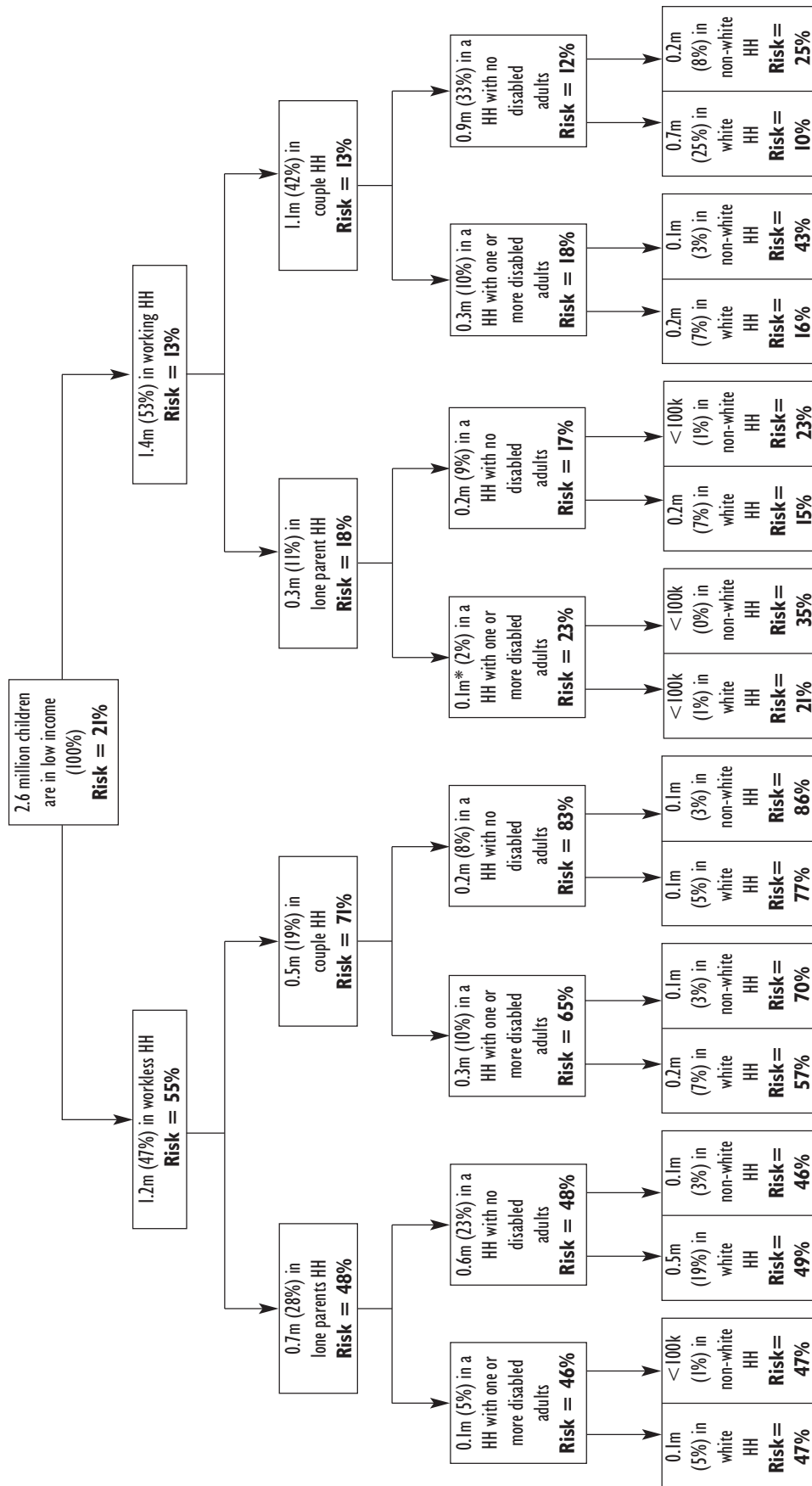
CHILDREN IN LOW-INCOME HOUSEHOLDS

The chart overleaf presents data from the Family Resources Survey showing some key family characteristics of children in low-income households. It provides a detailed breakdown by employment status, family type, adult disability and ethnicity.

It shows that there are 2.6 million children in low-income households. Of these, for example, 1.2 million are in workless households and 0.5 million of the children in workless households are in couple households. Of these 0.5 million low-income children in workless couple households, around 0.3 million are in households with one or more disabled adults and around 0.2 million children, 7 per cent of all children in low-income households, are in workless couple households with one or more disabled adults where the head of the household is not from an ethnic minority group. In terms of the propensity of such households to be poor, 57 per cent of all the children who live in such households are in low-income households.

The chart demonstrates the impact of worklessness as a key risk factor for low-income. It shows the higher proportion of lone parents, ethnic minority and disabled parents who are out of work and the impact this has on the number of children in low-income households.

Chart B.1: Children in low-income households 2002-03



Source: DWP calculations using Family Resources Survey, 2002-03
 Note: 1) Income is measured BHC; low-income = less than 60 per cent median income. 2) figures marked* are based on small samples, and should be treated with caution. 3) figures in the bottom row use a three-year average. 4) Risk = likelihood of children with these characteristics being in low-income households. 5) HH = household



PUBLIC SERVICE AGREEMENTS CONTRIBUTING TO TACKLING CHILD POVERTY

The table below sets out Public Service Agreement targets from the 2004 Spending Review which are relevant to child poverty. These are grouped by department. Shared targets have been listed once.

Department for Education and Skills

Improve children's communication, social and emotional development so that by 2008 50 per cent of children reach a good level of development at the end of the Foundation Stage and reduce inequalities between the level of development achieved by children in the 20 per cent most disadvantaged areas and the rest of England.

Joint target with the Department for Work and Pensions

As a contribution to reducing the proportion of children living in households where no one is working, by 2008: increase the stock of Ofsted-registered childcare by 10 per cent; increase the take-up of formal childcare by lower income working families by 50 per cent; and introduce, by April 2005, a successful light-touch childcare approval scheme.

Joint target with the Department for Work and Pensions

Raise standards in English and maths so that:

- by 2006, 85 per cent of 11 year olds achieve level 4 or above, with this level of performance sustained to 2008; and
- by 2008, the proportion of schools in which fewer than 65 per cent of pupils achieve level 4 or above is reduced by 40 per cent.

Raise standards in English, maths, ICT and science in secondary education so that:

- by 2007, 85 per cent of 14 year olds achieve level 5 or above in English, maths and ICT (80 per cent in science) nationally, with this level of performance sustained to 2008; and
- by 2008, in all schools at least 50 per cent of pupils achieve level 5 or above in each of English, maths and science.

Improve levels of school attendance so that by 2008, school absence is reduced by 8 per cent compared to 2003.

All young people to reach age 19 ready for skilled employment or higher education:

- by 2008, 60 per cent of those aged 16 achieve the equivalent of 5 GCSEs at grades A* to C; and in all schools at least 20 per cent of pupils achieve this standard by 2004, rising to 25 per cent by 2006 and 30 per cent by 2008. (This target may be reviewed in light of recommendations in the Tomlinson report);
- increase the proportion of 19 year olds who achieve at least level 2 by 3 percentage points between 2004 and 2006, and a further 2 percentage points between 2006 and 2008, and increase the proportion of young people who achieve level 3; and
- reduce the proportion of young people not in education, employment or training by 2 percentage points by 2010.

Increase the number of adults with the skills required for employability and progression to higher levels of training through:

- improving the basic skill levels of 2.25 million adults between the launch of Skills for Life in 2001 and 2010, with a milestone of 1.5 million in 2007; and
- Reducing by at least 40 per cent the number of adults in the workforce who lack NVQ2 or equivalent qualifications by 2010. Working towards this, one million adults in the workforce to achieve level 2 between 2003 and 2006.

Department of Health

Tackling the underlying determinants of ill health and health inequalities by:

- reducing adult smoking rates to 21 per cent or less by 2010, with a reduction in prevalence among routine and manual groups to 26 per cent or less;
- halting the year-on-year rise in obesity among children under 11 by 2010 in the context of a broader strategy to tackle obesity in the population as a whole; and
- reducing the under-18 conception rate by 50 per cent by 2010 as part of a broader strategy to improve sexual health.

Joint target with the Department for Education and Skills

Reduce health inequalities by 10 per cent by 2010 as measured by infant mortality and life expectancy at birth.

Improve life outcomes of adults and children with mental health problems by ensuring that all patients who need them have access to crisis services and a comprehensive Child and Adolescent Mental Health Service (CAMHS).

Reduce the mortality rate from suicide and undetermined injury by at least 20 per cent by 2010.

Department for Transport

Reduce the number of people killed or seriously injured in Great Britain in road accidents by 40 per cent and the number of children killed or seriously injured by 50 per cent, by 2010 compared with the average for 1994-98, tackling the significantly higher incidence in disadvantaged communities.

Office of the Deputy Prime Minister

Achieve a better balance between housing availability and the demand for housing, including improving affordability, in all English regions while protecting valuable countryside around our towns, cities and in the green belt and the sustainability of towns and cities.

By 2010, bring all social housing into a decent condition with most of this improvement taking place in deprived areas, and for vulnerable households in the private sector, including families with children, increase the proportion who live in homes that are in a decent condition.

Lead the delivery of cleaner, safer and greener public spaces and improvement of the quality of the built environment in deprived areas and across the country, with measurable improvement by 2008.

Tackle social exclusion and deliver neighbourhood renewal, working with departments to help them meet their PSA floor targets, in particular narrowing the gap in health, education, crime, worklessness, housing and liveability outcomes between the most deprived areas and the rest of England, with measurable improvement by 2010.

Reduce the number of injuries in fires by 20 per cent by 2010 through improved fire safety and a more modern Fire Service.

By 2008, improve the effectiveness and efficiency of local government in leading and delivering services to all communities.

Make sustainable improvements in the economic performance of all English regions by 2008, and over the long term reduce the persistent gap in growth rates between the regions, demonstrating progress by 2006.

Joint target with the Department of Trade and Industry and HM Treasury.

Home Office

Substantially reduce crime with greater than average reductions in the highest crime areas.

Reduce the harm caused by illegal drugs and substantially increase the number of drug misusing offenders entering treatment through the criminal justice system.

Increase voluntary and community engagement, especially amongst those at risk of social exclusion.

Department for Environment, Food and Rural Affairs

Eliminate fuel poverty in vulnerable households in England by 2010 in line with the Government's Fuel Poverty Strategy objective.

Joint target with the Department of Trade and Industry.

Department for Culture, Media and Sport

Enhance the take-up of sporting opportunities by 5 to 16 year olds so that the percentage of school children in England who spend a minimum of two hours each week on high quality PE and school sport within and beyond the curriculum increases from 25 per cent in 2002 to 75 per cent by 2006 and to 85 per cent by 2008, and to at least 75 per cent in each School Sport Partnership by 2008.

Joint target with the DfES

Department for Work and Pensions

Halve the number of children in relative low-income households between 1998-99 and 2010-11, on the way to eradicating child poverty by 2020, *Joint target with HM Treasury.* As a contribution to this DWP is also committed to:

- reducing the proportion of children living in workless households by 5.0 per cent between Spring 2005 and Spring 2008; and
- increasing the proportion of Parents with Care on Income Support and income-based Jobseeker's Allowance who receive maintenance for their children to 65 per cent by March 2008.

As part of the wider objective of full employment in every region, over the three years to spring 2008, and taking account of the economic cycle:

- demonstrate progress on increasing the employment rate. *Joint target with HM Treasury;*
- increase the employment rates of disadvantaged groups (lone parents, ethnic minorities, people aged 50 and over, those with the lowest qualifications and those living in the local authority wards with the poorest initial labour market position); and
- significantly reduce the difference between the employment rates of the disadvantaged groups and the overall rate.

In the three years to March 2008:

- further improve the rights of disabled people and remove barriers to their participation in society, working with other government departments, including through increasing awareness of the rights of disabled people;
- increase the employment rate of disabled people, taking into account the economic cycle; and
- significantly reduce the difference between their employment rate and the overall rate, taking account of the economic cycle.

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